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REAGAN'S 1984 BUDGET HIGHLIGHTS DEFENSE PLANS

OW10829 Beijing XINHUA in English 0738 GMT 1 Feb 83

[Text] Washington, January 31 (XINHUA) -- U.S. President Ronald Reagan formally proposed today an 848.5 billion dollar budget for fiscal year 1984, with sharp rises in defense expenditure and sharp cuts in social programs, leaving an 188.8 billion dollar deficit after putting the 659.7 billion dollar budget receipt into the picture.

Reagan's new budget proposal for the fiscal year that begins October 1 this year, was submitted to Congress at a time when the country's economy is in deepest recession since World War Two. The gross national product declined 1.8 percent in 1982 and industrial production was down 8.2 percent from 1981, with 12 million workers jobless, or 10.8 percent of the labor force. Reagan said in his State of the Union address, "the economy is troubled."

In the new budget plan, Reagan attributed all these economic troubles to the mounting federal deficits which are expected to reach 231 billion dollars in 1984 and 300 billion dollars by 1988 if there is no action. Instead of taking immediate steps to push the economy out of recession, he proposed "a sweeping set of fiscal measures" aimed at reducing the deficits.

Therefore, the President imposed a comprehensive spending freeze as "the centerpiece" of his new budget. He asked for reducing deficit by 19 billion dollars in 1984 and 164 billion dollars over the next five years by an immediate freeze on federal pay, cost of living adjustments and aggregate discretionary spending. He also urged to save another 19 billion dollars in 1984 and 228 billion dollars over the next five years by a broad program of "structural reform" of entitlement and transfer payments focused on health care, social security solvency and federal retirement programs. Among these measures, benefits to the poor and elderly -- including welfare, food stamps and medicare -- will be further cut substantially.

As another major step to reduce the deficits, Reagan called for standby tax increases starting in fiscal 1986 if the deficit remains above 2.5 percent of the GNP by that time. Although he still insisted on carrying out his three-year income tax cut plan which started in 1981, the new tax increases will represent a further change in his tax policy after he already decided twice to raise tax in the past year.

Ironically, the federal savings from cutting wide-ranged social programs will be absorbed by the big increase of defense spending in the coming years. Reagan called in his new budget for a 29.7 billion dollar defense increase from 1983's 208.9 billion dollars to 238.6 billion dollars in 1984, up 14.2 percent, and a 39 billion dollar increase the following year to 227.5 billion dollars in 1985, despite Reagan's agreement to cut back his original military buildup by 55 billion dollars over the next five years from 1984 through 1988. Under Reagan's plan, military spending will go up 9 percent next year after allowing for inflation. In sharp comparison, he proposed to cut domestic outlays by 3 percent after inflation.

Big defense spending explains why the deficits projected by Reagan for the years beyond 1984 are still very high -- 194 billion dollars in 1985, 148 billion dollars in 1986, 142 billion dollars in 1987 and 117 billion dollars in 1988. This blasts Reagan's hope to reduce the deficits from nearly 7 percent of the GNP today to 2.4 percent by 1988.

Reagan's new budget predicted that the nation's economic recovery is underway in the current quarter and that it will build steadily by midyear, expand about 1.4 percent for 1983 and 3.9 percent for 1984. It will then average a 4 percent growth for the next four years. It also projected an inflation rate of 5.2 percent for 1983 and 1984 and a jobless rate of 9.9 percent for 1984 after an average of 10.7 percent in 1983. While administration officials are stressing that it is a careful and realistic estimate, many economists regard it as still too optimistic.

The new budget is obviously a controversial one. Congressional leaders have predicted major battles ahead on the budget, including fierce fights over military spending, the various proposals for cutbacks in program affecting the poor and the elderly, as well as the standby tax increases. Republican leaders have already asked for at least a 15 billion dollar reduction in the new military budget for 1984.

BUSH VISITS PRC ON FIRST LEG OF W. EUROPE TRIP

OW011025 Beijing XINHUA Domestic Service in Chinese 1430 GMT 31 Jan 83

[Text] Beijing, 31 Jan (XINHUA) -- U.S. Vice President Bush arrived in Bonn yesterday to begin a 2-week visit to six European countries.

Prior to his departure from Washington yesterday, Bush told reporters that for his West European tour he was not taking along any new proposals or messages from President Reagan concerning the U.S.-Soviet talks in Geneva on limitation of medium-range nuclear weapons and that the purpose of his visit was not to negotiate with West European leaders but to consult with them. He added that he would discuss any proposal that may be brought up by West European leaders on nuclear armament.

After arriving in Bonn yesterday Bush said he was visiting Europe to "safeguard peace" in the face of a "foreign threat" and to consult with U.S. allies on defense issues. He added that "differences exist between us" but that "we welcome discussion about them."

It has been reported that during his 2-day visit Bush will hold talks with West German Chancellor Kohl, Foreign Minister Genscher, and Vogel, Social Democratic Party candidate for chancellor, on the question of deployment of Pershing II missiles and cruise missiles in West Germany toward the end of 1983. According to a statement by West German Government spokesman (Stoessel) in Bonn on 29 January, Kohl will tell Bush that despite growing public opposition, West Germany will fulfill its commitment to U.S. deployment of medium-range nuclear guided missiles. However, neither side at the Geneva talks has assumed a serious attitude. Besides the zero option proposal, there may be other proposals that can produce successful, concrete results.

An AFP commentary published on 30 January said: Bush faces a delicate mission in his visit to West Germany. The general election to be held in West Germany on 6 March may decide whether or not U.S. medium-range nuclear guided missiles will be deployed in West Germany toward the end of this year. A vigorous election campaign is going on right now in West Germany.

Following his visit to West Germany, Bush will visit the Netherlands, Belgium, Italy, France and Britain. He will also visit Geneva to meet the Soviet representative to the talks on limitation of medium-range nuclear weapons and demand that the Soviet Union put forth a "reasonable proposal" that will reduce its nuclear threat to Europe.

Bush, Kohl Stress 'Unity'

OW011158 Beijing XINHUA in English 1142 GMT 1 Feb 83

[Text] Bonn, January 31 (XINHUA) -- The United States and West Germany today agreed that the unity of the Western alliance was an important precondition for achieving a satisfactory result in the Geneva negotiations.

This agreement was reached by U.S. Vice-President George Bush and West German Chancellor Helmut Kohl during their talks today on East-West relations and the U.S.-Soviet Geneva missile negotiations. They stressed that the NATO "double track" decision was still valid.

Sources said Kohl had told Bush that the West German Government, while sticking to the "zero option" proposal, welcomed measures to be adopted for gradual realization of this proposal in accordance with the principles of balance. During the talks, Kohl proposed a summit conference between U.S. President Ronald Reagan and Soviet Leader Yuriy Andropov to ease East-West relations.

Bush arrived here on January 30 on the first leg of his West European tour.

'NEW TRENDS' IN U.S. LOBBYING ACTIVITIES VIEWED

HK260912 Beijing GUANGMING RIBAO in Chinese 19 Jan 83 p 4

[Article by Xu Binghe [1776 3521 0735]: "New Trends in Lobbying Activities in the United States"]

[Text] In recent years there have been new developments in lobbying activities in the United States. Not only have lobbies representing some large U.S. corporations and special interest groups at home intensified their activities, but lobbies representing the interests of some foreign countries have also stepped up their activities.

Persuasive professional politicians are called lobbyists in the United States. Lobbyism, which means activities in the lobby adjacent to the congressional chamber, appeared in the United States over 100 years ago. In those days, when people wanted to achieve a purpose they turned to Congress for help. They went to Capitol Hill and waited for the congressmen they wanted to meet in the lobby. When congressmen came out of a meeting, people waiting in the lobby could talk with and try to influence them and the government. This is how the term "lobbyism" originated.

Since the 1970's in Washington the influence of lobbyists representing various special interest groups has increased to a startling degree. Their activities have been efficient enough to influence Congress to adopt or defeat important bills. The number of lobbyists registered in the U.S. Congress in 1946 was less than 5,000, but during the 5 years ending in 1978 the number increased from 8,000 to 15,000. In recent years more than 20,000 lobbyists have registered officially with Congress. And the number of those who have not registered is by no means small. The only problem for them is that they are not protected by law. At present, it is hard to find a large corporation in the United States that doesn't hire lobbyists to work for it.

Here is an example: In 1981 an American shale oil corporation asked the government for a \$1.1 billion loan to develop the synthetic fuels industry -- but this was rejected by federal budget director Stockman. This corporation didn't give up but turned to well-known lobbyist (Hannaford) for help. After (Hannaford) made a visit to the White House the \$1.1 billion loan the corporation so eagerly sought was finally approved. Why? Because (Hannaford) is close to President Reagan and other big shots in the White House.

Another characteristic in U.S. lobbying development is that many enterprises have organized their own lobbies. Entrepreneurs are well aware that if they want to have influence they must engage in political activities. Therefore some entrepreneurs personally take up lobbying and organize their own lobbies. Their influence is increasing. For example, some 200 senior executives of the most influential corporations in the United States -- including ITT, Mobil Oil, Dupont, GM, Boeing and GE -- have formed a round-table business conference. They are often invited to the White House where they can express their opinions directly to the President. They can also talk with congressmen at length and thus influence the formulation of policy and the adoption of legislation. The American Chamber of Commerce is also a huge lobby organized by American entrepreneurs.

It is also a fact that in order to get more "U.S. aid," preferential trade treatment, technological assistance and military equipment from the United States or to keep other nations from getting these benefits, some foreign governments and enterprises have spent huge amounts of money on hiring American lobbyists and buying over U.S. congressmen so as to influence U.S. Government policymaking. According to records of the U.S. Justice Department the number of lobbyists and agents hired by foreigners has steadily increased; they numbered 701 people in 1982 compared with 452 in 1970.

The lobbying activities of these foreign agents are startling. According to an article in the issue of the 29 March 1982 U.S. NEWS AND WORLD REPORT, former Secretary of Defense Clark Clifford and his fellow lawyer (Bowyer Walker) accepted \$200,000 for helping the Australian meat industry get into the American market. As another example, South African authorities gave \$300,000 a year to a law firm run by former U.S. Senator George Smathers and other people for changing the U.S. Government's critical attitude toward South Africa's racist policy.

Japan is the most active in buying over U.S. congressmen. One of every five foreign agents listed in the register book is an agent of the Japanese. In 1981 Japan spent more than \$11 million on these people. Former U.S. trade representative (William Eberly) has been counsellor to the Japanese Nissan Auto Company since 1979 and he devotes great effort to dumping Japanese automobiles on the United States. Just in the second half of 1981 (Eberly) earned as much as \$131,000 from this Japanese company.

Many facts have shown that these persuasive American politicians, lobbyists and foreign agents can easily gain hundreds of thousands of dollars just by using their silver tongues to lobby congressmen and big shots in the government. What they are engaged in is indeed a profitable business which needs no investment. On the other hand the U.S. Congress and administration can strengthen their connections with large corporations and enterprises as well as some foreign companies through various lobbying activities. The interests of the American monopoly capitalist class are focused on these activities but the vast number of workers and other laboring people cannot enjoy their democratic rights. Here we can see the hypocritical and fraudulent character of bourgeois democracy in the United States.

DPRK IN 'SEMI-WAR STATE' OVER U.S., ROK ACTIONS

Military Incidents Reported

OW011317 Beijing XINHUA in English 1256 GMT 1 Feb 83

[Text] Pyongyang, February 1 (XINHUA) -- South Korean troops fired more than 300 shells at North Korean airforce planes flying a routine mission Jan. 31, over Yongyon Peninsula on the west coast of the DPRK, KCNA reported today.

The KOREAN CENTRAL NEWS AGENCY report said this happened at a time when the U.S. and South Korean puppet troops were holding the "Team Spirit 83" joint military exercises in South Korea. This armed provocation was aimed at aggravating tension in Korea as it was in violation of Korea's sovereignty, and of the Korean Military Armistice Agreement, KCNA reported.

Earlier, KCNA had reported that the U.S. high-speed, high-altitude reconnaissance plane "SR-71" penetrated deep into the airspace of Kangwon Province at 14:13 hours Jan. 28, and intruded into the airspace over Kangyong Peninsula, southwestern part of South Hwanghae Province, on espionage missions at 14:32 hours on the same day.

DPRK Statement Issued

OW011311 Beijing XINHUA in English 1250 GMT 1 Feb 83

["Korean Army and People Enter Into Semi-War State Against U.S.-South Korean Joint Military Exercises" -- XINHUA headline]

[Text] Pyongyang, February 1 (XINHUA) -- The Supreme Command of the Korean People's Army issued a press statement, announcing an order of the Supreme Commander of the Army, that the whole Korean People's Army, the People's Security Forces, the Worker-Peasant Red Guards and the Young Red Guards enter into a semi-war state. Radio Pyongyang broadcast the press statement at noon today.

The statement said starting from today until mid-April, the U.S. and South Korean puppet troops will stage joint military exercises code-named "Team Spirit 83", throughout South Korea. It said the United States will concentrate in South Korea massive ground, navy and air-forces from the United States proper and the Pacific region in the joint exercises of three-dimensional offensive operations.

This is an escalation of criminal war against the Democratic People's Republic of Korea and a naked act of war bringing the republic to the brink of war, the statement warned. "The reckless military provocations of the U.S. imperialists are now bringing a grave danger of a new war to our country and placing our people under a critical situation in which a war may break out at any moment," the statement said. "Their frantic war provocations against the Democratic People's Republic of Korea are an intolerable challenge to the entire Korean people and a grave threat to peace in Asia and the world," it added.

Hence, the order to ask the whole Korean army and people to enter into a semi-war state was issued. "This is a self-defensive measure against the U.S. imperialists' moves for the provocation of a war. It is a legitimate right of a sovereign people to take a self-defensive measure in face of the imperialists' threat of aggression."

"Our people love peace and do not want war, but we will never allow the imperialists to invade our country," it declared. "If the U.S. imperialists start a war, our people will fight as one man to defend the people's power, socialist system and inviolable motherland," it said.

HAO DEQING SAYS KOREA, ASIA THREATENED BY U.S.

OW010842 Beijing XINHUA in English 0821 GMT 1 Feb 83

[Text] Beijing, February 1 (XINHUA) -- Hao Deqing, member of the Standing Committee of the National People's Congress, said today that the United States' refusal to withdraw troops from South Korea is the root cause of the partition of Korea. He said, "The U.S. presence is a threat to stability in the Korean Peninsula and peace in Asia as well." Hao Deqing, who is also president of the Chinese People's Institute of Foreign Affairs, made the remarks in an interview with a Korean correspondent in Beijing today.

He voiced support for the statement issued January 18 by 21 Korean political parties and public organizations proposing the convening of a Korean North-South conference. Hao Deqing said the statement reflected the common desire of the 50 million people in the whole of Korea and is an important step to force the United States to withdraw its troops from South Korea so that Korea might be reunified. "The Chinese people firmly support the just struggle of the Korean people," he said.

Backs 18 Jan Statement

HK011236 Beijing XINHUA Domestic Service in Chinese 0937 GMT 1 Feb 83

[Text] Beijing, 1 Feb (XINHUA) -- Hao Deqing, member of the NPC Standing Committee and president of the Chinese People's Institute of Foreign Affairs, today spoke to Korean reporters and expressed resolute support to the statement jointly issued by the Korean Workers Party and 20 other Korean parties and social groups on 18 January.

Hao Deqing said: The joint statement expressed the strong demand and common desire of 50 million Korean people. It was another major effort to force the United States to withdraw its troops from South Korea and to reunify the motherland in an independent and peaceful way. He said: The Chinese people resolutely support the Korean people's just struggle.

Hao Deqing strongly condemned the continued presence of U.S. troops in South Korea. He said: This is not only the root cause of the national separation in Korea and an impediment to the Korean people from family reunions and contacts with one another, but is also a threat to the stability of the Korean Peninsula and peace in Asia.

CHEN MUHUA MEETS DPRK MACHINE-INDUSTRY WORKERS

OW312044 Beijing XINHUA in English 1514 GMT 31 Jan 83

[Text] Beijing, January 31 (XINHUA) -- Chen Muhua, state councillor, met a government delegation of the machine industry from the Democratic People's Republic of Korea at Zhongnanhai this afternoon.

The delegation leader is Yi Tae-paek, vice-chairman of the Machine Industry Commission, and deputy leader Kim Chong-u, vice-minister of External Economic Affairs.

Present at the meeting were He Guangyuan, Chinese vice-minister of the Machine-Building Industry, Wei Yuming, vice-minister of Foreign Economic Relations and Trade, and Chon Myong-su, D.P.R.K. Ambassador to China.

The delegation arrived here January 11. The guests, in the company of He Guangyuan, visited Harbin, Dalian, Wuhan, Hangzhou and Shenyang, where they discussed with responsible members concerned on cooperation in the machine-building industry.

This evening, Ambassador Chon gave a reciprocal banquet for the delegation.

The delegation will leave for home tomorrow.

COMMENTARY DISCUSSES JAPAN-U.S. SUMMIT TALKS

SK292259 Beijing in Korean to Korea 1100 GMT 26 Jan 83

[Undated commentary: "Japan-U.S. Summit Talks Held To Strengthen Relations of Alliance"]

[Text] Japanese Prime Minister Nakasone on 21 January returned to Tokyo after winding up his visit to the United States. During his visit to the United States Nakasone stressed the relations of alliance between the two countries, but the two countries failed to solve the matters of trade and the defense burden.

Nakasone visited the United States under circumstances in which Japan is being strongly pressured by the U.S. side on matters of defense and trade.

In an attempt to alleviate such U.S. pressure, Nakasone suddenly visited Seoul 1 week prior to his visit to the United States and there promised to provide \$4 billion in economic aid to the Chon Tu-hwan clique in a bid to lessen Washington's financial burdens in Seoul. He also decided to transfer Japanese military technology to the United States in violation of the Japanese Constitution banning weapon exports and the three principles of the Sato Cabinet and promised to reduce customs duties for imported goods and to simplify the procedures for inspecting imported goods. Thus he took a series of steps to alleviate U.S. pressure prior to his visit to the United States.

Earlier Nakasone also increased this year's military budget by as much as 6.5 percent, despite financial difficulties.

Nakasone was welcomed in the United States because he visited there with these gifts for Reagan.

According to reports in Japanese dailies, the characteristic of the Japan-U.S. summit talks is that both sides unanimously stressed the relationship of alliance between the two countries. In this regard Nakasone surpassed his predecessors.

When Masayoshi Ohira visited the United States in 1980 he referred to the Japan-U.S. alliance. When Suzuki visited the United States in 1981 he also referred to relationship of alliance in a joint communique.

Stressing that the two countries of Japan and the United States are in the same boat in shaping the destiny of the Pacific, this time again Nakasone clearly declared that the Japan-U.S. relationship of alliance also encompasses military affairs.

In an interview with a U.S. daily Nakasone said that, proceeding from a strategy to check the Soviet Union, he will build Japan into a huge fortress capable of coping with Soviet aggression and that he will block the straits around Japan and defend Japan's sea routes in case of an emergency.

According to reports in Japanese dailies, the sea routes Nakasone talked about include the broad sea areas between Tokyo and Guam and between Osaka and the Taiwan Strait. This is the first time for a Japanese prime minister to refer directly to the Taiwan Strait in talking about the defense of Japan.

Such remarks by Nakasone have aroused strong opposition among public opinion and Japanese opposition parties. Criticizing Nakasone as excessively tilting toward the United States, Japanese opposition parties have made clear that they will inquire into the matter of Japan's defense in the upcoming Diet session.

As for the matter of trade, the United States welcomed Japan's declaration to open its markets, but it expressed strong discontent with Japan's refusal to import U.S. beef and oranges. A Japanese Government official said that if there is not soon a recovery from the current U.S. economic recession, the present economic dispute between Japan and the United States can be hardly settled.

Nakasone's junket to Washington served to some extent to alleviate current tense relations between the two countries. Today, when the two superpowers of the United States and the Soviet Union are desperately scrambling in Asia and the Pacific, the United States has attached more importance to the strategic position of Japan, and Japan, too, has called for the United States to guarantee its security. Therefore the two countries can be in collusion with each other politically and strategically.

Though the two countries hold different views on the matter of trade and are still wrangling with each other over the issue of the defense burden, their relationship of mutually relying on and cooperating with each other cannot be changed.

However, the question is whether the military sector will be gradually expanded in the Japan-U.S. relationship of alliance and to what extent.

This is why people are greatly interested in the effect this problem will have on the development of the situation in Asia and the Pacific.

PRC, JAPANESE HOLD BILATERAL AVIATION TALKS

OW300641 Tokyo KYODO in English 0558 GMT 30 Jan 83

[Text] Beijing, Jan 29, KYODO -- China has proposed opening an airport in Guangzhou City, Guangdong Province, for use by Japanese airlines, according to a Japanese official. The proposal was made during the three-day meeting on bilateral aviation that was held in Beijing from January 27 through 29, said Sumio Shioda, councilor at the Civil Aviation Bureau of the Transport Ministry. Shioda, who headed the Japanese delegation, told a news conference Saturday the Japanese side will continue to study the Chinese proposal since the Chinese delegation did not present any conditions for opening the airport. Guangzhou is the third largest city in China, but its airport was not well equipped as an international airport until recently with only a few airlines landing in.

At the meeting, Shioda said, the two sides agreed to make efforts to shorten the Japan-China air route by making it possible for airliners of both countries to fly over South Korea's aviation territory. If the plan is realized, the air route is shortened by some 360 kilometers or some 20 minutes in flight time. Japan is hoping to put the plan into effect around this July, he said.

In addition, the two sides agreed to maintain high levels of air transport capacity between the two countries. This increased 40 percent in 1982 from the previous year. Bilateral talks for improving air ticket sales systems will also be continued, he added.

PRC, JAPAN REACH AGREEMENT ON RAW-SILK TRADE

OW281240 Beijing XINHUA in English 1231 GMT 28 Jan 83

[Text] Beijing, January 28 (XINHUA) -- An agreement on raw silk trade for 1983 was reached between China and Japan in Tokyo January 26, the Chinese Ministry of Foreign Economic Relations and Trade said.

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The Chinese Government delegation for the negotiations was headed by Liu Yue, deputy director of the Foreign Trade Administration under the Ministry of Foreign Economic Relations and Trade.

PRC, JAPAN SIGN ANTIBIOTICS RESEARCH PROTOCOLS

OW301151 Beijing XINHUA Domestic Service in Chinese 1418 GMT 26 Jan 83

[Text] Beijing, 26 Jan (XINHUA) -- A ceremony was held in Beijing this afternoon to sign the PRC-Japan protocol on joint research of antibiotics for agricultural purposes and to exchange the PRC-Japan protocol on joint research of antibiotics for medical purposes.

Representatives of China's Ministry of Chemical Industry and Japan's Science and Technology Agency signed the protocol on joint research of antibiotics for agricultural purposes. The protocol on joint research of antibiotics for medical purposes had been signed in Japan.

TRADE UNION DELEGATION LEAVES FOR JAPAN

OW011123 Beijing Domestic Service in Mandarin 1600 GMT 30 Jan 83

[Text] Chinese trade union delegation left Beijing by airplane for Japan on 30 January. The delegation, led by Zhang Ruiying, vice chairman of the all-China Federation of Trade Unions, is visiting Japan at the invitation of the Japanese Federation of Independent Unions.

BRIEFS

JAPANESE BANK OFFICE IN BEIJING -- Beijing, January 25 (XINHUA) -- The representative office of the Long-Term Credit Bank of Japan Ltd, opened here today. Kanbei Yoshimura, president of the bank, gave a reception this evening to mark the occasion. Yoshimura said that he hoped that his bank will contribute to China's economic construction and exploration of natural resources. Among the guests were Chen Kedong, vice-chairman of the board of directors of the Bank of China; Shang Ming, adviser to the People's Bank of China, and Yasue Katori, Japanese ambassador to China. [Text] [Beijing XINHUA in English 1333 GMT 25 Jan 83 OW]

JAPANESE LIFE, CULTURE EXHIBIT -- Beijing, January 25 (XINHUA) -- An exhibition on Japanese life and culture opened here today at the Beijing Exhibition Centre. The exhibits and pictures showed the life of the Japanese people: their household wares, housing, diet, clothing and other aspects, including social progress and problems. In his opening speech, Tadashi Yadata, honorary chairman of the executive committee of the exhibition, said mutual understanding was important for developing everlasting Japan-China friendship. Chen Dayuan, manager of the China Exhibition Corporation, said he believed the exhibition will arouse the interest of the Chinese people who are working for the modernization of the country. Attending the opening ceremony were Koji Watanabe, minister of the Japanese Embassy in China, Lin Lin, vice-president of the Chinese People's Association for Friendship With Foreign Countries and some two hundred Chinese audience. The exhibition, which was shown for one month in Shanghai before it came to Beijing, attracted an audience of about 190,000 there. [Text] [Beijing XINHUA in English 1108 GMT Jan 83 OW]

PRC DENIES GIVING PAKISTAN ATOMIC-BOMB ADVICE

OW291026 Hong Kong AFP in English 1011 GMT 29 Jan 83

[Text] Beijing, Jan. 29 (AFP) -- China today denied having given Pakistan any advice on the making of an atomic bomb. The denial came in reaction to a WASHINGTON POST report quoting U.S. intelligence sources as saying China had given Pakistan information on a "particular (nuclear) weapon design." "There is no such thing of this sort," the Foreign Ministry said.

China had also denied last year reports by THE NEW YORK TIMES that Beijing had supplied Pakistan with nuclear fuel.

INDIAN OFFICIALS IN PRC FOR TALKS ON BORDER

Discussions Start

BK290919 Delhi Domestic Service in English 0830 GMT 29 Jan 83

[Text] India and China began their third round of official level talks in Beijing today. The two sides will discuss in detail the border question, bilateral issues and ways to improve trade, cultural and scientific exchanges. The Indian delegation is led by the secretary in the External Affairs Ministry, Mr K.S. Bajpai, and the Chinese side by Mr Fu Hao, adviser to the Foreign Ministry.

The first round of talks between the two countries were held in Beijing in December 1981 and the second in Delhi in May last.

Visitors Hosted at Banquet

OW291616 Beijing XINHUA in English 1500 GMT 29 Jan 83

[Text] Beijing, January 29 (XINHUA) -- Fu Hao, head of the Chinese delegation to the third round of talks between Chinese and Indian officials, said here today that he hoped the two countries would "seek a way for a fair and reasonable settlement of the boundary question." Fu Hao, who is also an advisor to the Ministry of Foreign Affairs, made the remark at a banquet he gave in honor of the Indian delegation led by K.S. Bajpai, secretary of the Indian Ministry of External Affairs and former Indian ambassador to China.

He said that the previous two rounds of talks between Chinese and Indian officials "have made some progress. The increase in exchanges in various fields between our two countries is inseparable from the efforts made by the two sides at the previous two rounds of talks." Fu Hao said: "Indeed, our task is an arduous one, for we will not only work to further develop our bilateral relations in various fields, but also seek a way for a fair and reasonable settlement of the boundary question."

[Beijing XINHUA Domestic Service in Chinese at 1511 GMT on 29 January carries a report on the banquet in honor of the visiting Indian delegation which at this point adds the following: "He said: Let both sides continue to work with joint efforts for the new success in the third round of talks.

["Bajpai said in his toast: We have made steady and positive development in range and quality in the relations between India and China in recent years and have thus added new vigor to the long friendship between the two countries."]

Sajpai replied, "Considering the complexity and importance of the problem, the way we have been able to deal with it is encouraging. Both sides have also worked to increase very satisfactorily the other exchanges between them. These will be enhanced further as we achieve our primary purpose, a just and honorable settlement of the boundary question."

The Indian ambassador to China, Ayilam Panchapakesa Venkateswaran, was present at the banquet.

The third round of talks began here this afternoon.

Talks Continue

BK310309 Delhi Domestic Service in English 0240 GMT 31 Jan 83

[Text] India and China continued their third round of talks on various bilateral issues in Beijing yesterday. The two sides are reported to have discussed in detail the border question. The leader of the Chinese delegation, Mr Fu Hao, later said that there has been some progress in the talks. The question of expanding trade, culture and scientific exchanges also figured in the discussions. The Indian delegation is led by the secretary of the External Affairs Ministry, Mr Bajpai.

Wu Xueqian Meets Visitors

OW011115 Beijing XINHUA in English 1059 GMT 1 Feb 83

[Text] Beijing, February 1 (XINHUA) -- Chinese Foreign Minister Wu Xueqian met here this afternoon with the Indian delegation to the third-round Sino-Indian talks led by K.S. Bajpai, secretary of the Indian Ministry of External Affairs.

It is learned that Wu and Bajpai agreed that frequent contacts and exchange of views between Chinese and Indian officials were conducive to development of bilateral relations. They promised to continue to work for a settlement of the boundary question. Wu and Bajpai also exchanged views on other issues of common concern.

Present at the meeting were Fu Hao, head of the Chinese delegation to the talks and advisor to the Foreign Ministry, Liu Shuqing, assistant minister of foreign affairs, and A.P. Venkateswaran, Indian ambassador to China.

Sources close to the Sino-Indian talks said that the talks proceeded in a frank and friendly air and added to mutual understanding. In addition to the boundary question, officials of the two countries discussed possibilities of expanding economic, trade, scientific and technical and cultural exchanges and reached agreement on a number of items, they said.

YE, ZHAO MESSAGES GREET INDIAN NATIONAL DAY

BK281528 Beijing in Hindi to South Asia 1500 GMT 25 Jan 83

[Text] Ye Jianying, chairman of the Standing Committee of the National People's Congress of the PRC, and Zhao Ziyang, premier of the State Council of the PRC, have sent separate messages of greeting to Indian President Giani Zail Singh and Indian Prime Minister Indira Gandhi on occasion of the 35th [as heard] Republic Day of India.

In his message to Indian President Giani Zail Singh, Chairman Ye Jianying said: On the occasion of the 35th anniversary of the founding of the Indian Republic, on behalf of the people of China and in my own name, I extend felicitations to your excellency and to the people of India. I wish the Indian Republic prosperity and the Indian people happiness. May the traditional friendship between China and India and their peoples continue to grow.

In his message to Indian Prime Minister Indira Gandhi, Prime Minister Zhao Ziyang said: On the National Day of the Indian Republic, on behalf of the Government and people of China and in my own name, I extend warm felicitations to Your Excellency and to the people and Government of India. I wish the Indian people many new successes in national construction. I am very happy to see that during the past year relations between China and India have progressed further. I believe that through the common efforts of both our governments, the friendly relations between India and China will continue to be strengthened and expanded.

YOUTH GROUP ENDS INDIA VISIT, FIRST IN 20 YEARS

OW291740 Beijing XINHUA in English 1632 GMT 29 Jan 83

[Text] New Delhi, January 29 (XINHUA) -- A Chinese youth delegation led by Keyum Bawudun today left here for Nepal after a 12-day visit to India today.

This is the first Chinese youth delegation to India in 20 years. It came at the invitation of the Indian Youth Congress (I). They visited Delhi, Bombay, Trivandrum, Agra and Faridabad.

They met Mr. Rajiv Gandhi, M.P. on January 25 at a reception. Mr Rajiv Gandhi had a very friendly talk with them. Keyum Bawudun invited Mr. Rajiv Gandhi to visit China. The latter accepted the invitation with pleasure saying: "Let us meet again in Beijing."

NEPAL'S PRIME MINISTER HAILS PRC RELATIONS

OW301221 Beijing XINHUA in English 1102 GMT 30 Jan 83

[Text] Katmandu, January 29 (XINHUA) -- The Nepalese Government has adopted a series of political and economic measures to mobilize the people for the implementation of the sixth five-year plan, said Nepalese Prime Minister Surya Bahadur Thapa here yesterday. The prime minister made these remarks when he received a Chinese journalist delegation.

Referring to the country's economic situation, the prime minister said that Nepal is putting emphasis on increasing industrial and agricultural production, developing hydro-electric projects as well as transport and communications. It is also attaching importance to the settlement of other vital problems, such as to step up the production of daily necessities, promote education and medical care, and realize the development program of agriculture.

On relations with China, Thapa pointed out that the two countries have spared no efforts in maintaining good relations and that there is no problem outstanding between them. In its national construction, Nepal has received friendly assistance from the Chinese Government, he said. He hoped that there would be a frequent exchange of visits by the leaders of the two countries as well as contacts between people in various fields of activity. He said that mutual cooperation should be expanded with regard to economic development, which will play a positive role in enhancing Sino-Nepalese friendship.

About his forthcoming visits to India, Pakistan and Bangladesh next month, he said that his visits are aimed at increasing regional cooperation in South Asia. He will also exchange views with their leaders on the summit of the non-aligned countries to be held in New Delhi next March.

TWO PRC DELEGATIONS VISITING SRI LANKA

Cultural Protocol Signed

OW312050 Beijing XINHUA in English 1507 GMT 31 Jan 83

[Text] Colombo, January 31, (XINHUA) -- Chinese cultural delegation led by Zhou Weishi, deputy minister of culture, left here today, after an eight-day visit to Sri Lanka.

The delegation, during its stay here called on Sri Lanka Cultural Minister E.L.B. Hurulle and signed a protocol on the cultural exchange programme between the People's Republic of China and Sri Lanka. The protocol covers exchanges of students, experts and material in areas such as arts, education, sports and broadcasting, and also deals with a book on Sri Lanka to be written in the Chinese language. During their stay here the delegation visited sites of "the cultural triangle" projects and other places of historical interest.

Power Project Team To Arrive

OW312054 Beijing XINHUA in English 1505 GMT 31 Jan 83

[Text] Colombo, January 31 (XINHUA) -- Sri Lanka is to install coal-fired thermal power plants and mini hydro plants to meet the energy demands, according to a statement made to the DAILY SUN by the Deputy Minister of Power and Energy, P. Dayaratne.

Dayaratne said that during his recent visit to the People's Republic of China, he saw for himself the advances made by China on coal-fired plants and mini hydro plants. He disclosed that a Chinese team would arrive here this week to start work on one project selected earlier to install a plant which can be used in small streams. The deputy minister said: "Other sources of energy are being studied and whatever is considered economically beneficial to Sri Lanka will be used and encouraged."

DRAFTS FOR 7TH NONALIGNED SUMMIT COMPLETED

OW311516 Beijing XINHUA in English 1459 GMT 31 Jan 83

[Text] New Delhi, January 31 (XINHUA) -- India has completed the drafts on the political and economic subjects for the Seventh Non-aligned Summit to be held in New Delhi in March, and these would be handed over to the ambassadors of the member countries on February 1 for consideration by their heads of government, Indian press reports said.

Sources said the political draft deals with major subjects that would come up at the summit including the Afghanistan and Kampuchean problems, the Western Sahara issue, the Iran-Iraq war, the deteriorating situation in West Asia, the militarization of the Indian Ocean, the situation in Latin America, the Namibian question and the situation in Southeast Asia. The political draft also refers to the urgent need for complete disarmament and end to the arms race. It urges the member countries to resolve their bilateral disputes through direct dialogue in the interest of preserving the cohesion and the unity of the Nonaligned Movement. The political draft also touches upon the question of insulating the movement from the pressures and influences of big power.

The economic draft underlines the urgent need for an early start of the global negotiations and calls upon the member countries to achieve greater self-reliance through collective efforts to reduce their vulnerability to the tactics of advanced countries. It also deplores the negative attitude of the advanced countries to do away with their protectionist policies. In this context the draft stresses the need for greater South-South cooperation. It also calls for short-term and long-term measures for correcting the international economic order.

The two drafts would be considered by a meeting of officials of the member countries slated for March 1 and 2 and then these would be further modified at the meeting of the foreign ministers on March 3 and 4. The drafts would then be submitted to the heads of government on March 7 for their consideration.

MORE REPORTAGE ON SWAPO LEADER NUJOMA

Nujoma Interviewed

OW301731 Beijing in English to South and East Africa 1700 GMT 29 Jan

[Text] President of the South-West African People's Organization Sam Nujoma visited China recently. The SWAPO leader was leading seven-member delegation. During the last few days, he's been meeting with Chinese party and government leaders to exchange views on the world situation and the Namibian independence movement, in particular.

Radio Beijing's reporter (Wu Xiaoyong) interviewed Sam Nujoma while he was in Beijing.

[Begin recording] [Nujoma] At the present moment certainly we are facing naked aggression on the part of racist South Africa, actively supported by the Reagan administration and many other imperialist countries who have vast investments in both Namibia and South Africa. In fact, it is the imperialist countries that is responsible for the escalation, bloodshed and the massacre of the Namibian people today.

[(Wu)] How effective has been the Namibian people's armed struggle in front of the imperialist powers?

[Nujoma] Well, the determined commanders, combatants and men and women of the people's liberation army of Namibia, who have been battling against the Pretoria racist regime for the last 16 years, have scored victories after victories over the racist and fascist Pretoria regime. Today, every Namibian knows that Namibia's independence is not far, because they see daily racist South African soldiers being liquidated, some being lamed, and also experienced during the past 12 months minority white settlers running away from Namibia because of the intensification of the armed liberation struggle.

[(Wu)] Well, you're visiting China now and just not too long ago our premier visited Africa, 11 African countries. What do you think this kind of connection among the Third World countries will help you and your organization to win the struggle?

[Nujoma] Well, the recent visit by Chinese premier to the 11 African countries was highly welcomed by the African people, even those in countries where he has not been able visit. It has enhanced and strengthened the position particularly of the liberation movements in Africa in general, and Namibia in particular. It has pledged and reaffirmed continued material assistance, political and diplomatic support to the cause of the liberation of the oppressed people of Africa. SWAPO and the Namibian people have been benefiting from the material assistance, political and diplomatic support from the PRC. China plays a very vital and positive role in the organs of the United Nations as a permanent member of the Security Council. It's vigorous, it's there to support and defend the interests of the oppressed people of the world. Well, we definitely enjoy the support of the masses of the Namibian people, therefore we do not have difficulties. That's why we're able to fight the war for the last 16 years. Besides that, we enjoy the support of the frontline states, the OAU as a whole and the Nonaligned Movement as well as socialist countries, including the powerful forces of the People's Republic of China. But, when a people is faced with aggression, there is no other alternative but to rebuff the aggression.

[(Wu)] Yes, one other question: Once Namibia becomes independent, what kind of country do you think that Namibia will be?

[Nujoma] Well Namibia will be a sovereign state. It will concentrate and gear all its activities to the development of its economy, particularly the agriculture, and to make sure that there is no Namibian child who will go without food. There will be no malnutrition, and there will be no Namibian child without schooling and there will be no Namibian citizens without adequate medical services. Namibia will be certainly, a member of the Organization of African Unity, because SWAPO and the Namibian people adhere to the charter of the OAU. SWAPO is already a full member of the Nonaligned Movement and we will continue to participate actively in the Nonaligned Movement activities. We will certainly also promote relationships with the other foreign countries and we will be...[corrects himself] Namibia will certainly be a member of the United Nations, and Namibia as a small country will certainly contribute to its utmost towards the promotion of friendship and cooperation between the nations of the world. And also, Namibia certainly will have diplomatic relationships with the socialist countries, including the PRC.

DPRK Support Voiced

OW291155 Beijing XINHUA in English 0744 GMT 29 Jan 83

[Text] Pyongyang, January 29 (XINHUA) -- Vice-President of the Democratic People's Republic of Korea (D.P.R.K.) Pak Song-Chol has expressed Korea's full support to the South-West Africa People's Organization (SWAPO) and Namibian people in their struggle for national independence.

Speaking at a banquet welcoming the SWAPO delegation here yesterday evening, Pak Song-Chol, who is also a member of the Political Bureau of the Central Committee of the Workers' Party of Korea, condemned the United States and the South African racists for their double-dealing of threat and cheating in an attempt to prevent Namibia from gaining independence.

He said the workers' Party and the Korean people highly appreciate the heroic struggle waged by SWAPO and the Namibian people for national liberation. He expressed his belief that the Namibian people can win their independence if they get united around SWAPO to fight to the end.

SWAPO President Sam Nujoma in his speech praised the achievements made by the Korean people under the leadership of president Kim Il-Song and the workers' party. He stressed SWAPO'S support to the three principles of national reunification put forward by D.P.R.K.

The SWAPO delegation arrived here yesterday.

EGYPT'S MUBARAK VISIT TO U.S. REPORTED

Arrives, Meets Reagan

OW271920 Beijing XINHUA in English 1911 GMT 27 Jan 83

[Text] Washington, January 27, (XINHUA) -- Egyptian President Husni Mubarak met U.S. President Ronald Reagan today, making it clear that he looked to the United States to find a solution to the stalled talks on Israel's withdrawal from Lebanon. Mubarak arrived here yesterday for a three-day visit. His talks with U.S. leaders are focusing on the Middle East situation, especially on Israel's pull-out from Lebanon which Egypt has set as a precondition to its return to the talks with Israel on the Palestinian rights.

"If the United States fails to arrange the Israeli withdrawal from Lebanon, this will undermine confidence in the effectiveness of the American role," Egyptian Foreign Minister Kamal Hasan 'Ali said on the eve of today's talks between the two heads of state.

Egypt, together with Jordan and Saudi Arabia, also want U.S. pressure on Israel for a freeze on Jewish settlements in the occupied territories. According to press reports here, to bring pressure to bear on Israel, the United States has told Israeli Prime Minister Menachem Begin that it is "not opportune" for Washington to receive him for a visit as he desires so long as there is no agreement on military withdrawals from Lebanon.

During his visit, Mubarak is also due to have talks with Defense Secretary Casper Weinberger and Secretary of State George Shultz.

Holds Talks With Reagan

OW281009 Beijing XINHUA in English 0820 GMT 28 Jan 83

[Text] Washington, January 27 (XINHUA) -- Egyptian President Hosni Mubarak today called a "U.S. move further in the direction of supporting the rights of the Palestinian people to self-determination." He stressed that withdrawal of Israeli forces from Lebanon must be "top priority".

Mubarak made the remarks after his two-hour talks with President Reagan this morning in his second visit to the United States in less than a year. Reagan said after the meeting that he had assured Mubarak of his "determination to support the territorial integrity, the independence and the sovereignty of Lebanon to the end" and that there must be an "early withdrawal of all foreign forces." In the course of the meeting, according to senior U.S. official, Mubarak urged the United States to "have influence" on the Israelis in the negotiations on troop withdrawal. Mubarak expressed support for Reagan's peace initiative in September last year, which called for Palestinian self-rule in association with Jordan. He stressed the importance of finding a solution to the Palestinian issue and "the necessity to make meaningful progress" toward a comprehensive settlement. Mubarak said there is a "golden opportunity" to bring other Arab leaders into the peace process. But he cited the "negative impact" of a continuing impasse in Lebanon on hopes for an early resumption of a peace process.

On the Egyptian-Israeli relationship, Reagan indicated the desirability of Egyptian-Israeli relations becoming better. Mubarak emphasized that these relations could be improved "when there is an agreement on a frame for the total withdrawal of all foreign forces" from Lebanon. The two presidents also discussed issues related to economic and military cooperation between countries.

Mubarak's visit is part of a series of ongoing consultations between U.S. and Middle East leaders on Reagan's initiative and the situation in Lebanon. King Husayn of Jordan, who visited Washington last month, will be back here for further consultations. Israeli Prime Minister Begin was said to have been invited to meet Reagan in mid-February but U.S. officials have indicated that no date has been set for his visit so long as there is no agreement on the withdrawal of foreign forces from Lebanon.

U.S., Egypt on Peace Talks

OW291746 Beijing XINHUA in English 1629 GMT 29 Jan 83

[Text] Cairo, January 29 (XINHUA) -- Egypt and the United States have stressed the importance of the participation of a Jordan-PLO delegation in Middle East peace talks together with Israel, the United States and Egypt.

This was stated yesterday by Egyptian Deputy Prime Minister and Minister of Foreign Affairs Kamal Haban 'Ali to the Egyptian journalists accompanying President Husni Mubarak for a visit to Washington. 'Ali's remark was quoted by the Egyptian newspaper AL-AHRAM today.

'Ali said that Israel is building settlements in the West Bank and Gaza Strip so that time becomes much more important and it is necessary to bring pressures to bear on Israel as quickly as possible.

'Ali demanded Israel accept the U.S. peace proposals put forward by President Ronald Reagan, which call for a "Palestinian entity" associated with Jordan.

'Ali also expressed the hope that all parties concerned will participate in the Middle East peace talks.

U.S. 'Influence' on Israel Urged

OW310847 Beijing XINHUA in English 0706 GMT 31 Jan 83

[Text] Washington, January 30 (XINHUA) -- Egyptian President Husni Mubarak, in a televised interview here today, urged Americans to "use their influence" with Israel to try to convince it to withdraw from Lebanon. He made the same call the day before when speaking at the Foreign Policy Association in New York and called on Israel at the same time to abandon any thought of annexing the West Bank of the Jordan and the Gaza Strip which it captured during the 1967 Arab-Israeli war.

The Egyptian president said that he had had talks with President Ronald Reagan on hurrying the peace negotiations.

It would be a "grave mistake" for the United States to think that Israel is its only friend in the Middle East, he said during the interview. If the U.S. is unable to persuade Israel to withdraw from Lebanon and freeze settlements on the West Bank, their "friends (in the Middle East) will lose confidence in the United States" and "that will lead to much more complicated problems in the future," he noted.

The Israeli settlements on the West Bank should be frozen until negotiations are concluded, he said. "If such things (Israeli withdrawal and a freeze on settlement) are not going to happen, it will really be a disaster for the whole area."

While expressing Egypt's support for Reagan's initiative, he said he believed that to move the process forward, King Husayn (of Jordan) and the Palestinians should be urged to "conclude some kind of link between them" so that they could "form a unified delegation" for negotiations.

ANNIVERSARY OF PRC-PDRY RELATIONS CELEBRATED

Reception Held in Beijing

OW311224 Beijing XINHUA in English 1111 GMT 31 Jan 83

[Text] Beijing, January 31 (XINHUA) -- The Chinese People's Association for Friendship With Foreign Countries gave a reception at the International Club here this afternoon to mark the 15th anniversary of the establishment of diplomatic relations between China and the People's Democratic Republic of Yemen.

In their toasts, Liu Gengyin, vice-president of the amity association [title as received], and Awad Abdulla Mashbah, charge d'affaires ad interim of the Embassy of Democratic Yemen, expressed their satisfaction with the development of the relations in various fields between China and the Democratic Yemen. They wished that the friendship and cooperation between the two countries and their peoples would further grow.

A Chinese color feature film "In the Depth of Her Soul" depicting an army doctor who cares for two orphans, was shown at the reception.

Banquet Held in Aden

OW311230 Beijing XINHUA in English 1109 GMT 31 Jan 83

[Text] Aden, January 30 (XINHUA) -- Chinese Ambassador to Democratic Yemen Tang Yong gave a banquet here this evening to mark the 15th anniversary of the establishment of diplomatic relations between the two countries.

Present at the banquet were Democratic Yemen's Minister of Construction Hader al-'Attas, Minister of Health 'Abdullah Bikayr and Vice Minister of Foreign Affairs Mohammed Ali Imayah.

The Chinese ambassador and Democratic Yemen's minister of construction in their toasts praised the successful cooperation between the two nations in the past 15 years, and expressed the hope that the relations of cooperation be further strengthened.

Yesterday, Democratic Yemen's Foreign Minister 'Abd al-'Aziz ad-Dali sent a message to Chinese Foreign Minister Wu Xueqian on the occasion of the anniversary.

Commercial Relations Thriving

OW310747 Beijing XINHUA in English 0702 GMT 31 Jan 83

[Text] Aden, January 30 (XINHUA) -- The value of trade between China and Democratic Yemen in 1981 totaled 34.5 million U.S. dollars, setting a record for the 15 years since diplomatic relations were established between the two countries.

It is reported that the value of trade in 1982 is estimated to surpass that of the previous year.

The commercial relations between the two countries have steadily developed. In 1968, the value of trade was only 3.5 million U.S. dollars, but it reached 20 million dollars by 1979.

In September of 1968, China and Democratic Yemen signed a cash trade agreement, the first official accord on trade between the two countries. The economic and trade exhibition of China was held in Aden in 1972. Between 1975 and 1982, Democratic Yemen's trade and supply minister and vice-ministers visited China several times, while 13 Chinese trade-promoting groups toured this Arab nation. The exchange of friendly visits have promoted trade relations between the two nations.

China's exports to Democratic Yemen are mainly foodstuffs and light industry products including rice, canned fruits, sweets, washing powder and sewing machines which are welcomed at markets here. Meanwhile China imports from Democratic Yemen long fibre cotton, which is the principle raw material for China's textile industry.

JINGJI RIBAO ON POLITICAL WORK ON ENTERPRISES

HK010457 Beijing JINGJI RIBAO in Chinese 22 Jan 83 p 1

[Editorial: "Ideological and Political Work in Enterprises Must Serve Quadruplication"]

[Text] The National conference on the ideological and political work of staff and workers convened by the central authorities was a good meeting held at an opportune moment. It is of very great significance to further strengthening the ranks of the working class and effectively ensuring the successful completion of the program of the 12th party congress.

Ideological and political work must serve economic work. This is a truth which has been repeatedly proved in our practice of socialist construction in the 30-odd years since the founding of the PRC. As far as an enterprise is concerned, it is necessary to:

- 1) make sure of the socialist character and development orientation of the enterprise;
- 2) make sure of the satisfactory completion of production and various other tasks of the enterprises; and 3) make sure that the enterprise and staff and workers correctly implement the principles and policies of the party and state and promote the multiple development of staff and workers. At present the central task on China's economic front is to strive to quadruple the gross output value of industrial and agricultural production by the end of this century. For this reason ideological and political work must serve economic work, that is to say, must serve quadruplication.

In order to achieve quadruplication, it is imperative to conduct a comprehensive and systematic reform. The reform must run through the whole process of the four modernizations. This is an extremely important guiding principle of our party in leading the four modernizations drive. Therefore, in the ideological and political work of enterprises, it is first of all necessary to ensure that reform is carried out well.

In order to conduct conscientious reform it is necessary to remove all old regulations, restrictions and work styles that hamper our progress. The broad sections of staff and workers will definitely support and resolutely stand by this. However, various kinds of problems related to ideological understanding will inevitably emerge, will run through the contradictions and struggles between innovation and conservatism, and between the advanced the backward. This makes it necessary for us to unify, through strong ideological and political work, people's understanding of innovation, maintain the pace of reform and consolidate and develop our achievements. It is absolutely necessary for the ideological and political workers in enterprises to adopt as speedily as possible the content and methods of thier work to the needs of this new situation.

In order to run socialist enterprises well and greatly improve the economic results of enterprises it is necessary to have not only outstanding leading cadres who are familiar with vocational work and proficient in administrative management and outstanding engineering and technical personnel who are proficient in advanced science and technology, but also outstanding workers who are ideologically advanced and technically proficient. Without a large number of outstanding workers, it will also be impossible to give full scope to the proper results of advanced technology and management system even if we have them. Therefore, it is necessary for us to place the task of strengthening the ranks of the working class, and the young workers in particular, before the party organizations of enterprises, constantly imbue the working class with communist ideology, and promote the all-round development of ideological consciousness, moral sentiments, wisdom and talents of all the members of the working class so that they will truly become the main force and shock brigade in the socialist modernization drive who are ideologically advanced, technologically proficient, strict in discipline and united harmoniously.

Ideological and political work is not merely a task of the organizational and propaganda departments. It is necessary to energetically encourage the good practice of economic departments conducting ideological and political work. All cadres working in the economic departments should "pay simultaneous attention to two civilizations" and conduct ideological and political work in the course of production and reform in order to bring about a brand-new situation in the economic and political work of enterprises.

GONGREN RIBAO URGES WORKERS TO LEAD REFORM

HK310759 Beijing GONGREN RIBAO in Chinese 23 Jan 83 p 1

[Editorial: "The Working Class Must Actively Arouse Itself To Lead in Reform -- Greeting the Successful Conclusion of the National Conference on Ideological and Political Work Among Workers"]

[Text] In an important historical moment of penetratingly upholding the spirit of the 12th CPC National Congress and creating a new situation in all fields of socialist modernization, a national conference on ideological and political work among workers was called. The conference seriously discussed how to strengthen and improve the party's ideological and political work among workers and give further play to the leading role of the working class in the political life of the state. At the conference Comrade Hu Yaobang, general secretary of the CPC Central Committee, gave an important report entitled "The Problems of Modernization and Reform." He stressed that to effect modernization, we must carry out a series of reforms -- reforms which must permeate the whole process of modernization. He called on all comrades of the party and the working class to stand in the forefront of reform, to support reform, to participate in reform and to lead in reform. We are confident that after this conference, through seriously studying and upholding its spirit and especially through studying and upholding Comrade Hu Yaobang's report, the comrades of the whole party and the working class will greatly raise their ideological and political work level and bring our workers' movement to a new stage.

Reform is a major problem of the strategic guidelines bearing on whether or not the great program formulated at the 12th CPC National Congress can be realized and on the success or failure of our cause. We are now facing an overall system reform. We are carrying out an administrative reform and an economic system reform. We must also make reforms in all fields. This is to say that in all fronts, all areas, all departments and all units, we must get rid of conventions, stereotypes and hackneyed practices that are incompatible with new historical tasks and the demands of reality. We must study new situations, solve new problems, sum up new experiences, work out new rules and regulations, and create a new work style. This is a profound revolution to adjust to the demands of the development of productive forces. As far as the reform of the economic system is concerned, it is chiefly a matter of removing the longstanding defect of living off socialism and sharing in "the same iron rice bowl." Thus, our enterprises can give proper play to their initiative and flexibility; the masses of workers can give full play to their enthusiasm and creativity; the economy can be packed with vitality; and greater wealth is thus created enabling the state and the people to prosper relatively quickly.

The working class is our party's cause foundation. In the many great struggles led by the party in the past -- from the overthrow of the "three big mountains" to the founding of New China, to socialist revolution and construction and even to the effort to turn chaos into order after the 3d Plenary Session of the 11th CPC Central Committee and the realization of a great historical turnabout -- we have all along closely relied upon the working class and united with the people of the whole country, achieving one victory after another. Now, in creating a new situation in socialist modernization and carrying out a series of profound reforms, we must still give play to the leading role of the working class. This is because the working class is a representative of contemporary advanced productive forces and advanced relations of production and is a leading force in the socialist and the communist cause.

Lenin pointed out: "The political movement of the working class will naturally make the workers understand that there is no other way out than socialism. On the other hand, as an objective of the political struggle of the working class can socialism become a force." At present, the ranks of our working class have swelled in number to more than 100 million. The working class (including intellectuals) controls the means of modern mass production and has advanced scientific and cultural knowledge. Its strength is greater than at any time in the past. Its role in the state's political life is more obvious than at any time in the past. "The whole chapter of revolutionary history shows that without working class leadership the revolution met with setbacks. Given working class leadership, the revolution triumphed." These words by Comrade Mao Zedong still carry great guiding significance today. We must carry out an overall reform in our whole socialist modernization effort, covering economic, political, ideological, cultural and various other fields. Only by fully arousing the working class and giving further play to its leading role can we win victory.

When we say that the working class can triumphantly carry out the weighty mission as a leader in the new era, we are referring to it as a whole and talking in terms of its political and economic status in the country. This is not to say that the working class no longer needs education and no longer needs to study and seek higher standards. It should be noted that in the past 30-odd years, the ranks of our working class have developed very quickly. On the one hand, there has been a continuous injection of new blood. On the other hand, this has brought with it impurities in the form of many nonproletarian ideas. The degree of consciousness on the part of the workers at present is still unbalanced. Their scientific and cultural levels are rather low. A gap still exists in light of the historical mission they are shouldering. Due to the 10 years of internal disorder and the long influence of "leftist" thinking, some people still lack a complete understanding of the party's general and specific policies at the current stage. They are also still not adequately prepared mentally. Old ideas of the exploiting class and other nonworking classes left over by history and the decadent thinking of the foreign bourgeoisie following the implementation of the open-door policy have had a negative effect on the whole working class. Therefore, under new historical conditions, we must strengthen and improve ideological and political work among workers and conduct systematic education in communist thinking among the working class and the masses of young workers in particular, fundamentally raising the degree of consciousness and organization on their part. This has become a strategic task confronting ideological and political work. Marxism tells us that although the working class is the only advanced class capable of assuming the weighty mission of burying capitalism and realizing communism, communist thinking does not automatically assert itself in the worker movement and must be instilled by its vanguards. Historical experience also shows that only revolutionary theory can help the working class to become emancipated from the bonds of old thinking, cultivate a world outlook of dialectical materialism and historical materialism, increase their ability to understand and transform the world, and thus become a leading class of the state that is worthy of the name.

At present, an important task in current ideological and political work is to give the whole body of party members and workers and the whole working class a vivid education in the superiority of the socialist system and the ways of management under the socialist economy, so that they can have a clear understanding of the relationship between reform and the realization of the great goal of communism. This task is entirely synonymous with the conduct of systematic communist education among workers. Our education for workers in dialectical materialism and historical materialism, in scientific socialism, and in the historical mission of the working class and in other fields should be linked up with the current reforms being carried out and with the party's various general and specific policies at the current stage.

We must foster among the whole body of workers such a guiding idea of great significance as that the socialist society must still make reforms in various fields. After the masses of workers master the theory of Marxism-Leninism-Mao Zedong Thought and understand the laws governing social development and the historical mission of the working class, they will further deepen their understanding of the party's various general and specific policies at the current stage, more resolutely demand and support reform and consciously stand in the forefront as leaders in reform.

The masses of workers also must realize that to strengthen political studies and raise their own ability to understand and transform the world is a demand of the situation and also a demand of the historical mission of the working class and is an important task defined by the party for us. With a high sense of responsibility in building a modern and powerful socialist country and a high sense of responsibility in transforming our own subjective world while transforming the objective world, we must actively participate in study activities in various forms. Through study, we must understand that the reforms called for us are prompted by the ultimate aim of serving the prosperity of the state and the prosperity and happiness of the people. This is entirely in line with the immediate and long-term interests of the working class. We must promote communist spirit and more consciously show concern over the state's interests and general interests. We must dare to get rid of old ideas and habits and further eliminate remnant "leftist" poison and be promoters of reform.

All worker comrades: This is the first year in creating a new situation in socialist modernization and also a year in which we are making reforms in various fields in an overall, systematic, resolute and orderly manner. Let us further emancipate our minds, arouse our spirits, redouble our efforts and make new contributions -- following the direction defined by the party and complying with the party Central Committee's directive that "we must be resolute in making reforms and firm in handling economic matters."

BEIJING RADIO ON REFORM AS 'PROFOUND REVOLUTION'

OW282348 Beijing Domestic Service in Mandarin 1200 GMT 26 Jan 83

[Station commentary: "Reform Is a Profound Revolution"]

[Text] Contradictions still exist in our society. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" correctly pointed out: After socialist transformation was fundamentally completed, the principle contradiction our country has had to resolve is that between the growing material and cultural needs of the people and the backwardness of social production. To resolve this principle contradiction, we should pay attention to readjusting those aspects and links in the relations of production not commensurate with the development of the productive forces, as well as those aspects and links in the superstructure not commensurate with the economic base, to bring about coordinated development of the relations of production and the productive forces and of the superstructure and economic base. This requires reform.

We should also realize that, for a long time, China's socialist construction was influenced by foreign models in terms of method of planning and system of operation and management. Practice in the past decades has shown that these models are not successful in many aspects and are unsuitable for China. We have laid down the goals to be attained during this century, but these unsuccessful and harmful models still seriously restrict us and shackle many comrades' minds. In short, the development of the productive forces has been hampered. To break these harmful models also requires reform.

Reform is a profound revolution, in view of the fact that some aspects and links in the outmoded relations of production and superstructure should be smashed and that the productive forces should be released to push society forward.

Through reform, we should be able to break the practice of "eating from the same big pot," fully arouse the people's socialist enthusiasm, raise the level of productive forces sooner and create greater wealth, so that the state and the people may prosper sooner.

How should we judge the correctness and incorrectness of our reforms? There are three yardsticks:

1. Are these reforms favorable to building a socialism have special features?
2. Are these reforms conducive to the country's prosperity?
3. Are these reforms instrumental in bringing wealth and happiness to the people?

We should further emancipate our minds, display greater courage and do more solid work. Reforms conforming to the three criteria mentioned above should be carried out in a resolute and orderly manner.

BEIJING RADIO ON OVERALL, SYSTEMATIC REFORM

OW301113 Beijing Domestic Service in Mandarin 1200 GMT 29 Jan 83

[Station commentary: "Resolutely Implement the Reform Principle Laid Down by the Central Authorities"]

[Text] The party Central Committee has laid down a general principle of reform -- that is, carrying out overall systematic reform in a resolutely and orderly manner by proceeding from reality.

What is overall systematic reform? Here, "overall" means that all fronts, localities, departments and units should break with the old decadent conventions and styles which hamper their progress and should study the new situation, solve new problems, sum up new experiences and set up new ways for carrying out their work. Not only is it necessary to carry out organizational and economic reform, but all units are required to do reform work whether they are political, legal affairs, foreign affairs, labor, personnel, propaganda, science and technology, educational, cultural, journalistic, publications, public health or athletic departments or people's organization. Although the focus of their reform work may be different, there is no doubt as to the need for reform. Only through reform is it possible to create a new situation, gain new experience and raise the cadres' ideological level and ability of leadership in a rather short time.

Why should reform be carried out in a resolute and orderly manner? This is because large-scale reform is an arduous and complicated task. It should be carried out step by step with careful consideration by seeking truth from facts and through experiments in typical cases. This will avoid wasting time and effort in doing useless work and will eliminate unnecessary confusion. Previously, when the matter of reform was taken up, our comrades liked to say that we should have a resolute attitude, take safe steps and do meticulous work. Generally speaking, this is correct. However, we have often noted that some comrades have only a one-sided understanding of taking safe steps and thus hesitate to go into action and remain in a passive position. For this reason, the party Central Committee has now pointed out the necessity for reform in a resolute and orderly manner. The whole party should carry out reform in a resolute and orderly manner in accordance with the step by step work plan formulated by the Central Committee.

The party Central Committee's reform principle conforms to reality and is absolutely correct. By resolutely and conscientiously implementing this principle, we are bound to make a success of our overall reform.

ECONOMIC, TECHNICAL COOPERATION STRESSED

OW281445 Beijing Domestic Service in Mandarin 1200 GMT 26 Jan 83

[Station commentator's article: "Promote Economic and Technical Cooperation With the Spirit of Reform"]

[Text] Following the implementation of the series of policies to invigorate the economy since the 3d Plenary Session of the 11th CPC Central Committee, various provinces, municipalities and autonomous regions have adopted measures suited to local conditions, given full play to their dominant role and developed economic and technical cooperation among themselves under the guidance of the state plan, with emphasis on improving economic results. An extensive network has taken shape throughout the nation for economic and technical cooperation. Such cooperation is playing a more and more positive role in invigorating the economy, improving economic results and promoting technical progress.

Practice has proven that to extensively develop economic and technical cooperation meets the objective need for China's economic development. In order to further develop economic cooperation, various localities must conscientiously formulate plans for the development of such cooperation. These plans must be closely linked with the technical innovation plans in various departments and regions and with the regional plan for economic and social development. Economic and technical cooperation must be carried out emphatically to supplement the state plan. The focus in doing this work in the whole country is to actively accumulate funds for the exploitation and conservation of energy resources and raw materials and for the development of transportation facilities. Efforts must be made to develop economic integration with main emphasis on technical cooperation in close connection with material cooperation. To develop economic and technical cooperation is a new event which has emerged in China's economic activities. This will inevitably create contradictions in the course of implementing the existing economic system and measures. The only way to solve these contradictions is to firmly carry out reforms and break down the barriers between one region and another. This is an important aspect in carrying out reforms in economic management. We must further emancipate our thinking and score achievements in doing this work with a new spirit of reform by destroying the old and creating the new.

HONGQI STRESSES REINVIGORATING THROUGH REFORMS

HK010456 Beijing ZHONGGUO XINWEN SHE in Chinese 1242 GMT 31 Jan 83

["HONGQI Says China Can Only Be Reinvigorated Through Reforms" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 31 Jan (ZHONGGUO XINWEN SHE) --HONGQI, the theoretical publication of the CPC Central Committee, says that through reforms of the organs and the economic system, we take our own road and build socialism with distinctive Chinese features, and this is the general objective for transforming China and the basic feature of developing the communist movement on the basis of practice at the present stage. Only when there are reforms will a new situation be created, China reinvigorated and the future explored.

Issue No 3 of HONGQI, which will be published tomorrow, includes an article by the editorial board of the periodical to commemorate the 60th anniversary of the 7 February general strike. The article, which is entitled "The Working Class Must Resolutely Take the Lead in Reforms," says: Reform is an important issue which is closely related to the future and destiny of the motherland and the rise and decline of China's communist cause. The working class must actively take part in the reforms, give full support to the reforms and bear the leading responsibility in reform under the leadership of its vanguard, the Communist Party.

The article holds that: Reform is the basic requirement of building socialism with distinctive Chinese features. The article says: Such socialism must have distinctive Chinese flavor in production relationship and the superstructure and other aspects. The principal feature of such socialism should be that we base the requirements on the development of China's productive force to create at each developmental stage the suitable concrete form of production relationship which will help us continue to make progress and the corresponding concrete form of superstructure, and to establish the political and economic systems which can adhere to the characteristics of socialism, which suit China's national conditions and which can fully arouse the enthusiasm of the whole country. Many things in China's system are copied from foreign countries. They are divorced from China's situation. They have not changed much over many years. Thus, they are confining people's minds and fettering the development of the productive force. Obviously, to establish socialism with distinctive Chinese features by sticking to old ways, following convention, not adhering to reforms and not creating new systems is nothing but empty words.

The article written by the HONGQI editorial board points out that: To build the socialism with distinctive Chinese features through reforms is doubtless a profound revolution. Such a revolution is of course not the kind of revolution in which "one class overthrows another class." It is not to bring about violent shocks in state, social and political lives. It is to base on the requirements of the development of the productive force to establish the scientific economic organization, economic management, economic adjustment and economic supervision systems and the corresponding political systems so as to promote productive forces to a newer and higher level, to create more wealth and to make the state and the people become rich in a relatively short time. It will certainly touch on an extremely wide area and many complicated issues which include the structures of industry and the enterprises, relationship between the state and the enterprises, between the central and local authorities, between the local authorities themselves, between the cities and the rural areas and between production and circulation, the systems of planning and taxation, the price system, labor system, wage system, the system of administrative leadership, the cadres system, political system and legal system and so on. In short, the reforms must penetrate the various spheres of the state's political, economic, cultural and social lives. They will certainly affect people's activities, life and think.

PEOPLE'S BANK OF CHINA TO REFORM MANAGEMENT

OW010124 Beijing XINHUA Domestic Service in Chinese 1459 GMT 29 Jan 83

[Text] Beijing, 29 Jan (XINHUA) -- The meeting of directors of branches of the People's Bank of China closed today. The fundamental tasks of the People's Bank of China in the next 5 years, set by the meeting, are to seriously implement the guidelines of the 12th CPC National Congress, keep currency stable, actively raise funds, improve the economic results of funds, invigorate banking business, promote economic development and technical progress and make more contributions to fundamentally improving the financial and economic situation and to laying a good foundation for vigorous economic development.

The meeting outlined the objectives and stress of work in the next 5 years as follows: To strive to know the current situation of the currency in circulation in order to insure a normal currency circulation in the market; to actively raise funds to support the economic construction of the state; to noticeably improve the economic results of funds, tap their potential in the course of speeding up their turnover to support the technical transformation of enterprises, and gradually shift middle- and short-term equipment loans to supporting efforts at making technical progress; and to achieve a breakthrough in restructuring the banking system and make progress in building a Chinese-style banking system.

After discussions the meeting held: Banks should reform their fund management. For instance, circulating funds loaned to enterprises should be managed by the bank alone, not by both the financial department and the bank. Circulating funds and middle- and short-term equipment loans should be related. Circulating funds loaned to enterprises in various localities should be evaluated according to prescribed norms. An enterprise using less circulating funds may enjoy some middle- and short-term equipment loans drawn from the saved portion of the circulating funds. Floating interest rates should be rendered to the circulating funds loaned to enterprises in order to arouse the enthusiasm of all concerned for managing the funds properly.

The measures to reform the bank management system are:

1. To ease restrictions on the collective economy, individual undertakings and enterprises operating under contract to facilitate their opening of accounts, credit loans and settlement of accounts and at the same time strengthen the work of management and supervision over them; and to provide them with an insurance service to ensure their sound development.
2. To adopt various ways to settle accounts meeting the demand of various economic undertakings and circulating channels, better serve people and enterprises and speed up the turnover of funds.
3. To establish various forms of credit, with bank credit as the primary form, appropriately extend commercial credit, offer sellers credit in a selective way, cash promissory notes at a discount on a trial basis and place all forms of credit under state planning; and at the same time, to initiate a savings account for the purchase of high-grade durable consumer goods and thus integrate the development of the savings business with the guiding of consumption and the promotion of production.
4. To correctly make interest play its leverage role and fix differential interest rates and different repayment schedules for loans extended to different trades and localities and for production of different products in order to encourage construction of energy and transportation projects, promote technical progress, develop the production of products in short supply and curb the production of products in excessive supply and repetitive construction projects.

The meeting called on banks in various localities to do a good job in market forecasting, collect and transmit economic information, expand the information network and offer a consultation service.

CHINA DAILY CARRIES ARTICLE ON RURAL BANKS

HK010727 Beijing CHINA DAILY in English 1 Feb 83 p 4

[Article by Han Lei taken from the monthly CHINA'S FINANCE]

[Excerpts] The development of China's rural economy has imposed new tasks on agricultural banks and rural credit co-operatives. Their services are now used by 179 million peasant households instead of only six million production teams.

Per capita income of the rural population reached more than 200 yuan in 1981, 67 per cent more than in 1978.

Changes have also taken place in rural monetary work.

Deposits

The lively rural economy has boosted both bank deposits and loans in the countryside. In September 1982, deposits totalled 49.62 billion yuan, 97.2 per cent more than in 1978. Bank loans totalled 69.26 billion yuan, a 65.1 per cent increase.

The diversified economy has changed the pattern of loans. In the first quarter of 1982, 49 per cent of loans were used for diversification, 9 per cent more than in the corresponding period of 1981.

Agricultural banks and rural credit co-operatives are now serving individuals as well as collectives. In the first half of 1982, 217,000 specialized households in Hunan Province borrowed 47 million yuan. In turn they produced commodities worth 240 million yuan.

Agricultural banks and rural credit co-operatives also promote saving by individuals.

The situation now requires rural monetary departments to:

Collect more funds from individuals to support agricultural production, transport, processing industries and service trade.

Extend loans to promote better agricultural techniques, including use of fine seeds and rational fertilizing.

Encourage specialized households that will develop diversification while guaranteeing grain production.

Offer peasants information and help market their produce.

Promote exploitation of agriculture, forestry, animal husbandry and fishery.

CENTRAL MEETING ON RESPONSIBILITY SYSTEM HELD

HK310432 Beijing RENMIN RIBAO in Chinese 28 Jan 83 p 2

[Unattributed report: "It Is Imperative To Establish Systems of Personal Responsibility -- Central State Organs Popularize Experiences of Shanxi and Beijing Animal Husbandry Bureau"]

[Text] The CPC Committee of the central state organs and the Ministry of Labor and Personnel held a meeting of responsible people in various ministries, commissions, offices and bureaus on 27 January to popularize the experiences of Shanxi provincial state organs and the Beijing Municipal Animal Husbandry Bureau in establishing the system of personal responsibility.

Wang Rui, deputy secretary of the party committee of the central state organs in charge of day-to-day affairs, pointed out in his speech to the meeting that the institutional transformation has developed from the production responsibility system of linking payment to output adopted in rural areas to the contract responsibility system in industrial, commercial, educational and cultural systems, thus forming a situation in which "cities are besieged by villages." Leading cadres at all levels in central state organs must emancipate their minds and have the courage to carry out reforms. They should be promoters of progress in reforms and the personal responsibility system in various forms should be established and perfected so as to improve work efficiency and to overcome bureaucracy.

Director of the Shanxi Provincial Personnel Bureau Dou Kai told the meeting the situation and experience of state administrative organs and institutions in Shanxi in establishing and perfecting various responsibility systems. Deputy Director of the Beijing Animal Husbandry Bureau Xia Jue also told the meeting the changes in their office work after the personal responsibility system was adopted in his organ.

CENTRAL COMMITTEE HONORS RETIRED CADRES

Xi Zhongxun Addresses Meeting

OW281339 Beijing XINHUA Domestic Service in Chinese 1612 GMT 27 Jan 83

[Text] The Huarentang Hall at Zhongnanhai was filled with the warm atmosphere of reform this afternoon. More than 1,000 people attended a meeting held by the General Office of the CPC Central Committee in which certificates of honor were issued to retired veteran cadres. This was a mobilization and oath-taking meeting with the younger generation closely cooperating with the older and succeeding them to create a new situation in doing their work.

At the meeting the retired veteran comrades said with profound feeling: "Fallen flowers are not entirely useless. They turn into fertile soil in spring to fertilize flowers." The middle-aged and young cadres sincerely believed: "Although new bamboo sprouts may be taller than the old ones, they rely mainly on the support of the old stems." Youngsters said jubilantly: The forerunners set good examples, and new sprouts will grow well to succeed them. The leading comrades of the central authorities happily took note of the ideas of those of different generations. They believed that this showed the strength of realizing the four modernizations program. This kind of reform in the cadres system should be promoted in the whole party and in the entire nation as soon as possible.

At the meeting Comrade Xi Zhongxun pointed out: A series of reforms is being carried out in all fields of endeavor. There are two types of reforms. One is to carry out reforms in organization, system, methods and style of work, while the other is to carry out reforms in men's thinking and awareness, in the fields of economy and technology and in equipment. He said: In order to keep pace with the constantly changing objective situation on the road of advance, men must continually study. To streamline our administration we need to carry out reforms. Since March 1982, the central organs have undergone organizational reforms. An important part of the organizational reforms is the cooperation between the new and old cadres and the succession of the new to the old step by step and in good order. This is a reform of great significance. He praised the exemplary and vanguard role played by the retired veteran cadres in carrying out the two types of reforms and called on all the people to learn from these retired cadres. Xi Zhongxun expressed the hope that the veteran comrades would forever maintain their revolutionary vigor and vitality, continue to concern themselves with the cause of the party, and make further contributions to the development of socialist material civilization and spiritual civilization. He also urged all units to conscientiously implement the various rules and regulations of the party and the state to take good care of the retired veteran cadres politically and, in livelihood, regularly listen to their opinions and do a good job in promoting reforms in various units.

Recently there were 170 veteran cadres in the General Office of the CPC Central Committee, including 46 veteran Red soldiers, 89 veterans of the Eighth Route Army from the war of resistance against Japanese aggression and 35 fighters from the war of liberation, who took the initiative to retire and support, with actual deeds, those middle-aged and young cadres who succeeded them. In order to commend their revolutionary achievements and encourage those cadres who have remained at their posts to do their jobs well and promote organizational reforms, the General Office of the CPC Central Committee held this meeting.

Yang Dezhong, first deputy director of the General Office of the CPC Central Committee, presided over the meeting. When the 145 retired veteran cadres mounted the rostrum to accept the certificates of honor amid warm applause, Xi Zhongxun, Chen Pixian, Hu Qili and other comrades enthusiastically shook hands with them, wholeheartedly thanked them for the contributions they had made to the people and to the cause of the people in past years, and praised the examples they had set for those comrades who will soon retire.

Holding the crimson red "certificates of honor for retired veteran cadres of the People's Republic of China," many comrades said with great emotion: Retirement does not mean the end of one's revolutionary life. It only marks the beginning of one's new revolutionary stage. They pledged to do a still better job in "generating electricity with the remaining energy." Many veteran comrades also said that it was the happiest moment and event in their lives to see that many young cadres are doing better and that there are plenty of successors to the revolutionary cause.

Gao Dengbang, deputy director of the General Office of the CPC Central Committee, said at the meeting: In the organizational reform being carried out at present, it is first of all necessary to bring about the cooperation between the old and new cadres and the succession of the new to the old. This will constitute an important guarantee for the extension and prosperity of the cause of our party. He expressed the hope that these retired veteran comrades would henceforth continue to offer positive views and proposals for the improvement of the work of the General Office and also called on those cadres who have remained at their posts to set good examples in respecting and cherishing the old cadres.

Delivering speeches at the meeting were Yu Qinglai, a representative of retired cadres and a veteran Red soldier, and Huang Junyun, a representative of young workers and an attendant working at the Great Hall of the People. At the meeting the atmosphere with the old cadres cherishing the new and with the new cadres respecting the old moved everyone who attended.

Wan Zhijie, a representative from the Young Pioneers in the families of those who work for the General Office, mounted the rostrum to salute and pay high respects to the grandpas and grandmas, uncles and aunts. He said: Today we are members of the reserve force. Tomorrow we will be the main force in developing the four modernizations program. The examples set by you forerunners have inspired us to grow healthily to become successors with whom the people of the older generation are satisfied and feel at ease.

The revolutionary songs which were played at the meeting such as "See my Husband Off To Join the Red Army," "Good Work Style of Cadres in Soviet Areas," "Nanniwan," "We on the Taihangshan Mountains," "Song of Guerrillas," "Without the Communist Party There Will Be No New China," and "Socialism Is Good" evoked veteran cadres' unforgettable memories. Many middle-aged and young cadres said to the veteran cadres with great emotion: Although you have retired, we will pass on the torch from your hands from one generation to another.

At the end of the meeting, everyone stood to sing the "Internationale" in chorus. The singing of the older, middle-aged and younger generations filled the Huarentang Hall.

Retiree's Address

OW291225 Beijing XINHUA Domestic Service in Chinese 1546 GMT 27 Jan 83

[Excerpts] Beijing, 27 Jan (XINHUA) -- Speech by Yu Qinglai [0060 7230 0171], representative of retired veteran cadres at a meeting of the General Office of the CPC Central Committee to issue certificates of honor for veteran cadres:

I am very excited and also very happy to attend this meeting called by the General Office of the CPC Central Committee to issue certificates of honor for retired veteran cadres. The party shows the utmost solicitude to us retired veteran cadres, places great hopes on us and confers us with honor; all this is just like a warm sun giving us warmth and also like a gentle breeze that gives us peace of mind. This is an unforgettable experience accorded us by the correct line and policies laid down by the Central Committee since the 3d Plenary Session of the 11th CPC Central Committee.

This warmth is in glaring contrast to the persecution and trampling on old comrades by Lin Biao and the "gang of four." This has made us love and trust the present party Central Committee even more and hold our living proletarian revolutionaries and leading comrades of the CPC Central Committee in higher esteem. We thank the party from our hearts for its concern about the retired cadres.

Comrade Hu Yaobang said that retirement "is not the end of revolutionary life but the beginning of a revolutionary new stage." These sincere words have greatly inspired us and spurred us on and also profoundly enlightened us. We should never interpret the retirement system in a mediocre way by thinking that retirement means to leave the job and take a rest and that socialist revolution and construction can thus be totally ignored. We should never separate retirement from revolution; retirement and revolution are identical. We must fulfill our pledge to struggle through to the end for communism.

We must implement the program, principles and policies of the 12th CPC National Congress and do what we can. 1) The correct program of the 12th CPC National Congress for creating a new situation in all fields of socialist modernization and its lofty as well as the strategic goal of quadrupling the total annual industrial and agricultural output value in 20 years have to be fulfilled by the people of the whole country. We retired cadres must also do what we can in all fields of socialist modernization. 2) We must respond to the call of the party Central Committee in carrying out our reform in an all-round and systematic manner. We realize that the 6th Plenary Session of the 11th CPC Central Committee fulfilled the tasks of setting the party's principles right, but this is not to say that a "left" influence no longer exist in all departments, units and individuals. In some units the guiding principles and work attitude have not yet been set to order, old rules and old methods are still hampering the normal development of work. Communists must be bold in carrying out reforms -- we retired cadres are no exception and must also stand in the van of reform and do our share in fulfilling the reform. 3) We must do our share in basically improving the party's style of work and the general social mood. 4) We must set a good example and be models for the youth, the masses and our own children to follow. 5) We must carry forward the communist style and guarantee the quality of communists. 6) We must earnestly support those upcoming young comrades, as this is a most important task in our old age.

We have seen that since the 3d Plenary Session of the 11th CPC Central Committee, our economic construction is developing healthily, our cause is flourishing, the social order is stable, the people's material and cultural life in improving with each passing day, we have more faith in the party Central Committee than ever before. We are inspired to see that we have successors to carry on the cause of the party and the state.

In short, the party and leading comrades can rest assured that we retired cadres will certainly live up to the expectations and hopes of the party.

ECONOMIC COMMISSION FORUM HONORS RETIREES

OW301149 Beijing XINHUA Domestic Service in Chinese 1304 GMT 29 Jan 83

[Text] Beijing, 29 Jan (XINHUA) -- The State Economic Commission held an entirely new sort of forum today, a forum to award honorable retirement certificates to 57 veteran cadres who have retired with honor. At the forum old and new cadres talked cordially.

The middle-aged and young cadres said that they would inherit and carry forward the revolutionary traditions and style of the older generation, while the old comrades expressed earnest hope that the middle-aged and young cadres would vigorously march forward, strive to surpass the old cadres and continue to develop the great revolutionary cause initiated by the older generation.

Among the honorably retired veteran cadres, 10 joined the revolution in the first and second revolutionary civil war periods. The others began to take part in revolutionary work in the periods of the war of resistance against Japan and the war of liberation. Zealous speeches full of hope were made by Niu Yiping, former vice minister of the State Energy Commission; Xie Hongsheng, former vice minister of the State Machine-Building Industry Commission; and Niu Peicong, former deputy head of the trade group of the State Council. In their speeches they said: It is an indication of the prosperity of our party cause that we old comrades have retired and scores of middle-aged and young cadres have been promoted to leading posts at various levels. We support the promotion of young people sincerely and wholeheartedly. We hope that young comrades will outdo the older generation and that they will always bear in mind their historical responsibilities and the heavy tasks they have to shoulder in the next 10 or 20 years.

Zhang Jingfu, state councillor and minister of the State Economic Commission said to the retired veteran comrades: During the past decades of revolutionary and construction work, you have made significant contributions to and performed meritorious deeds for the party, the state and the people. You will never be forgotten by the people.

In addition, Zhang Jingfu stressed that cooperation between the old and the new and succession of the former by the latter are a matter of prime importance if there are to be successors to carry on our cause. Every comrade, particularly every veteran comrade, he said, should understand the seriousness and urgency of this matter.

DENG LIQUN COMMENDS VETERAN BEIJING EDUCATORS

OW301842 Beijing XINHUA Domestic Service in Chinese 1420 GMT 28 Jan 83

[Text] Beijing, 28 Jan (XINHUA) -- This morning the Great Hall of the People in the capital was filled with a jubilant atmosphere. The Beijing Municipal Bureau of Education held a solemn meeting there to extend its greetings to those educators who worked for more than 30 years in middle and primary schools and nurseries and commended them for painstakingly training qualified personnel for the motherland during the past years.

Attending the meeting jubilantly were Deng Liqun, member of the CPC Central Committee Secretariat and director of the CPC Central Committee Propaganda Department; Duan Junyi, first secretary of the Beijing Municipal CPC Committee; Jiao Ruoyu, secretary of the Beijing Municipal CPC Committee and mayor of Beijing Municipality; Cao Delin, deputy director of CPC Central Committee Propaganda Department; Peng Peiyun, vice minister of education, and others. They congratulated the veteran educators and paid them their high respects, while awarding them certificates of honor and medals for their 30-year service in the field of education.

Bai Jiefu, Standing Committee member of the Beijing Municipal CPC Committee and vice mayor of Beijing, delivered a speech at the meeting. He called on everyone to regard the practice of studying Marxism-Leninism-Mao Zedong Thought, raising their level of ideology and awareness, and fostering their socialist ethics as their top priority task.

He pointed out: At the same time, it is essential to study hard how to improve teaching and continuously raise their pedagogical level and qualities. Efforts must be made to learn from outstanding representatives of the intellectuals such as Sun Yefang, Jiang Zhuying, Luo Jianfu and other advanced elements and models in the educational field, and to exert lifetime efforts for the development of the cause of education in the capital.

He emphatically pointed out: Our nation is undergoing a tremendous change. Reforms must go hand in hand with the entire four modernization program. On the basis of your experience, you must play your role as pioneers well in establishing a socialist educational system with Chinese characteristics.

Now there are 16,000 people with 30 or more years of service in primary and middle schools and nurseries in Beijing. More than 5,000 people attended today's meeting. All those who worked 30 years or more in the field of education were given certificates of honor and medals issued by the municipal bureau of education.

A representative of veteran teachers pledged to let his perspiration drip on the fertile soil of the motherland in training millions of qualified people for the development of the four modernization program just like a spring silkworm spinning its last piece of silk, and to cooperate with middle-aged and young teachers in making fresh contributions to the cause of education.

Also attending today's meeting were responsible persons of related departments at the central level and in Beijing Municipality, as well as more than 1,000 middle-aged and young teachers. The representatives of middle-aged and young teachers expressed their determination to learn from veteran educators' good thinking, good moral character and good work style, remain loyal to the party's education cause and strive to become Red and expert educators and true engineers of the human soul.

With poetic words, a representative of youngsters saluted the veteran educators as follows:

In all bulletins announcing meritorious services, your tremendous achievements exist.
In all inventions and creative works, yours exist.
In all the happy events of the people, your joys are included.
In the glory of the motherland, your glory is included as well.

DENG LIQUN ATTENDS TEA PARTY FOR ACROBATS

OW271850 Beijing XINHUA in English 1838 GMT 27 Jan 83

[Text] Beijing, January 27 (XINHUA) -- Chinese acrobats who won three gold medals at the 6th world acrobatic festival of tomorrow in Paris were welcomed at the Great Hall of the People tonight.

At a tea party sponsored by the Ministry of Culture, the Central Committee of the Communist Youth League and the China Federation of Literary and Art Circles, the acrobats all received certificates of merit and bonuses from Zhu Muzhi, minister of culture, for their performances earlier this month.

The three prize-winning items were "plate-spinning" by Wu Min, Lu Qing, Liu Qing, Zhou Aibao, Wu Fadi and Han Yuanzhi from Hangzhou; "juggling with feet" by Wang Hong from Helongjiang Province; and "bowl-topping on a unicycle" by Gao Jin from the northeast China city of Shenyang. The acrobats range in age from 12 to 24.

Speaking at the party, Zhu Muzhi said: "It's the cream of the national culture that constitutes the world cultural treasure."

The minister urged Chinese artists to make greater efforts in developing national cultural and arts. He said: "We must not be complacent and conservative. On the contrary, we should earnestly learn what's good in foreign culture." But, he stressed, the very purpose of learning from others is to "develop our own culture and art. This is very important experience."

Xia Juhua, chairman of the Chinese Acrobats Association who headed the acrobatic delegation to Paris, recalled how the Chinese acrobatics had been welcomed in France and the French people's friendship towards the Chinese people.

Chinese acrobatics has a history of more than 2,000 years. The country now has more than 10,000 acrobats and some 100 acrobatic troupes.

Also attending the tea party were Deng Liqun, member of the Secretariat of the Communist Party Central Committee and head of the Propaganda Department of party Central Committee, and about 300 artists including winners in international music and art contests in recent years.

PLA STRESSES TECHNICAL SUPPORT FOR LOCALITIES

OW310429 Beijing XINHUA Domestic Service in Chinese 1203 GMT 27 Jan 83

[Reports by XINHUA reporters Lu Keliang, Yi Caping, Cao Guoqing and Sun Maoqing]

[Excerpts] Beijing, 27 Jan (XINHUA) -- XINHUA editor's note: Supporting socialist construction while safeguarding the motherland has always been a glorious tradition of the PLA. Since the situation has changed, the method and stress of support should be changed accordingly. The method which has proved effective is that, in supporting construction in the localities, the army should pay attention to bringing into play its own specializations and placing stress on carrying out technical guidance and ideological mobilization for the localities, or joining in the construction of difficult and hazardous projects.

After consulting with the Fujian Provincial People's Government, the party committee and leading organs of the Fuzhou PLA units have formulated this year's plans and programs of supporting local socialist construction with the decision to support the construction of a number of new key projects in Fujian Province by providing technology, manpower and material force.

These key construction projects include Minhou County's Damuxi hydropower station, with a generating capacity of 110 million kilowatts per year, and Yongchun County's Xiakouban hydropower station, with a generating capacity of 55 million kilowatts per year, both of which will be financed by the localities themselves. The projects also include the reconstruction of Fuzhou City's 1 May Square into a people's park.

To meet the needs of fishery development, many units of the navy stationed in the coastal areas have changed the past method of supporting the localities mainly with manpower, and brought their specializations into play by passing on their technological experience to the fishermen and helping and guiding them in technological work.

According to statistics, since 1980, naval units stationed in the coastal areas have trained more than 1,100 backbone technical personnel for the localities by running training classes in engineering, navigation, radio operation, medical work and other categories of technology. Many units have also dispatched technical detachments to bays, wharfs and fishing ports where they have helped communes and production brigades repair more than 200 fishing boats of various kinds and inspected and repaired more than 14,000 machines.

The air force carried out nearly 5,000 flights last year to help localities fulfill 10 kinds of missions, including test flying for scientific research, aeronautical magnetometry, artificial rainmaking, antiflood measures and disaster relief, forest protection and emergency airdrops, making contributions in the four modernizations and supporting the masses of people in resisting natural disasters.

HONGQI ON ARMY RELATIONS WITH PEOPLE, GOVERNMENT

HK010435 Beijing ZHONGGUO XINWEN SHE in Chinese 1248 GMT 31 Jan 83

[HONGQI Publishes an Editorial Entitled: "Carry On the Glorious Tradition and Develop the New Type of Relationship Between the Army and the People and Between the Army and the Government" -- ZHONGGUO XINWEN SHE headline]

[Text] An editorial carried in the third issue of HONGQI to be published tomorrow points out that since the 3d Plenary Session of the 11th CPC Central Committee, particularly since Deng Xiaoping took charge of the work of the CPC Central Military Commission, the PLA has achieved new and major progress in the building of its revolutionization, modernization and regularization, and has constantly raised its military and political quality.

This editorial, entitled: "Carry on the Glorious Tradition and Develop the New Type of Relationship Between the Army and the People and Between the Army and the Government," is specially issued to commemorate the 40th anniversary of the 1943 Yanan movement to support the army and give preferential treatment to families of revolutionary army-men and martyrs, and to support the government and cherish the people.

Aimed at some people's viewpoint, engendered from a long period of peace, which regards the army and its unity with the government and the people as not so important, the editorial points out: We must be aware that the world today is still not tranquil and the security of China is still under grave menace. Only by having a powerful army and consolidating national defense can we ensure the successful progress of the building of socialist modernization. It must become our important strategic thinking to be prepared for danger in times of peace. Only if we do a good job in the building of the national defense can we simultaneously promote and help do a good job in the economic construction. The advanced science and technology of the national defense can also serve and be applied to economic construction. We must also be aware that our army should not only be a steel wall that defends the motherland but is also be an important force in carrying out the building of socialism.

The editorial points out that it is an important part and a specific indication of the ideology of patriotism to support the army. Every citizen must regard the activity to support the army as his glorious responsibility and duty, and make a popular social custom of supporting the army and giving preferential treatment to families of revolutionary army-men and martyrs.

The editorial points out that under the circumstances of the building of modernization and regularization, the nature of the people's army and the fundamental law of the people's war have not changed. The anti-aggressive wars in the future will still be people's wars carried out under modern conditions. Comrade Mao Zedong's great thoughts on the people's war is still our magic weapon for defeating the enemy. Our army could fight victorious battles only when it closely united with the people and relied on them. This is a conclusion drawn from our past and present experiences, and so will it be in the future. We must also fully realize that the modernization of the army depends on the development of the national economy and modernization of science and technology.

The editorial says: There are around 200 million people in the areas where PLA men are stationed. The PLA has direct connection with 20 million masses, and has contacts and has given special aid to over 40,000 production teams. Provided the PLA has made great efforts to help promote the economic and cultural building of these areas which have a population of 200 million, it will be a great contribution made to the building of socialism of the whole country.

SYNTHETIC TEXTILES ENJOYING BRISK SALES

OW302353 Beijing XINHUA Domestic Service in Chinese 0737 GMT 25 Jan 83

[Excerpts] Beijing, 25 Jan (XINHUA) -- Since the adjustment of the price of textile products, the broad masses of people have enthusiastically purchased synthetic textile products, bringing about a lively atmosphere and an obvious rise in the sales volume of textile markets in all localities.

On 20 January, stores and counters in both urban and suburban markets throughout the country engaged in the business of textile products and garments, began selling textile products according to the adjusted prices. On the shelves at the markets were all kinds of textile products in a full range of quality and design, and garments made of synthetic textiles in brand-new styles, marked with new prices, were hanging on the racks of stores for selection by customers. In the past few days the sales volume of cloth, knitwear and garments made of synthetics have increased markedly in Shanghai, Beijing and Tianjin municipalities. Although the sale of ordinary cotton textile products has fallen, the situation in the sale of printed cotton cloth, bed sheets and white cloth of fine quality and design remains good. The broad masses of people, happy with the purchase of fine, inexpensive synthetic textile products, all said that wearing clothes made of synthetics is worth it. A sales clerk at the Shanghai No 1 Department Store said to a customer from Ningbo, who had bought 90 yuan of medium-length synthetic cloth, that the cloth would cost 120 yuan if it had been bought before the price adjustment. On hearing that, the customer happily purchased 30 yuan more of the synthetic cloth.

Not only in the cities, but in the countryside as well, an upsurge in purchasing synthetic textile products has emerged. The volume of sales of synthetic cloth in the past few days at the supply and marketing cooperatives in many counties and lower administrative areas has doubled.

At the time of the price adjustment of textile products, the price of wristwatches, color television sets, alarm clocks, film and other commodities was also reduced. In the past few days, the volume of sales of wristwatches and television sets in many cities has slightly increased. The supply of grain, oil, meat, sugar, salt, coal and other daily necessities has been normal, and the entire market has been prosperous and stable.

SMALL NITROGENOUS FERTILIZER PLANTS SHOW PROFIT

OW291343 Beijing XINHUA in English 0713 GMT 27 Jan 83

[Text] Beijing, January 27 (XINHUA) -- China's small nitrogenous fertilizer plants produced 26.77 million tons in 1982, 7.1 percent above 1981, 54.9 percent of the national output, the Ministry of Chemical Industry said today. China has 1,250 small nitrogenous plants, most using local coal as raw materials and distributing their products locally to help agricultural production. With an annual production capacity of between 3,000 tons and 40,000 tons of nitrogenous fertilizer, these plants earned 100 million yuan in profit in 1982, which was the first time in 17 years these enterprises earned a profit. This is in a sharp contrast to 1978 when the 1,533 small plants, suffering from high energy consumption and low efficiency, lost 610 million yuan.

The plants have been streamlined and technically transformed. Many technicians have been promoted to leading posts while inefficient equipment has been renovated and replaced.

According to the ministry, in the last four years, 283 small plants with a history of losses and no local coal resources have stopped operation or have been closed down, or merged with other factories, or switched over to the production of other products.

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HK310942 Beijing RENMIN RIBAO in Chinese 30 Jan 83 p 8

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SICHUAN FOURTH PARTY CONGRESS OPENS 30 JAN

HK310144 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 30 Jan 83

[Summary] "The fourth Sichuan provincial party congress opened in Chengdu on 30 January. This is an important meeting, held in the new historical period, for creating a new situation in all fields of socialist modernization in the province, instituting the cooperation of new and old cadres in the provincial CPC Committee and replacement of old by new, and further promoting stability and unity."

The opening ceremony was held in the Jinjiang Hall. It was attended by 1,165 deputies representing the province's 3.21 million party members. Some 80.9 percent of the deputies are middle-aged and young party members below the age of 55, and 21.7 percent are experts in various professional fields; 10 percent are model workers in agriculture or industry; 4.1 percent are PLA deputies; 8.6 percent are of minority nationality; and 15.8 percent are women. There are also seven deputies who are retired veteran cadres. The congress is being attended by 96 observers who are responsible comrades of departments concerned. In addition, representatives of democratic parties and well-known nonparty figures have been invited as guests.

Comrade Tan Qilong, executive chairman of the congress, declared the congress open. The congress then stood in memory of old revolutionaries such as Mao Zedong, Zhou Enlai, Liu Shaoqi and Zhu De, and the revolutionary martyrs.

Comrade Tan Qilong then delivered the opening speech in which he said: "The fourth Sichuan provincial party congress is being victoriously convened at a time when the people of the province, encouraged by the 12th party congress spirit, are confidently carrying out socialist construction and forging ahead to achieve the vast goal. The guiding ideology of this congress is to resolutely implement the 12th party congress spirit and create a new situation in all fields of socialist construction in Sichuan.

"There are three main items on the congress agenda: 1) to listen to and examine the work report of the Third Sichuan Provincial CPC Committee; 2) to examine the work report of the provincial CPC Committee's Discipline Inspection Committee; 3) to elect the Fourth Sichuan Provincial CPC Committee, the provincial Advisory Committee and the provincial Discipline Inspection Committee. The successful holding of this congress will be of very great and far-reaching significance for mobilizing and organizing the party members and people of all nationalities in the province to accomplish the party's general task for the new period and build a Sichuan with socialist modernization."

Comrade Yang Rudai then delivered the work report of the Third Sichuan Provincial CPC Committee, entitled "Resolutely Implement the 12th Party Congress Spirit and Create a New Situation in All Fields of Socialist Modernization in Sichuan." "The report was in four parts: 1) four years of implementing the line of the 3d Plenary Session of the 11th Central Committee and carrying out a great historic change; 2) carry out the great program proposed by the 12th party congress and build a Sichuan with socialist modernization; 3) get a good grasp of work in the next 5 years and strive for three fundamental turns for the better; 4) do a good job in party building in the new period and strengthen and improve party leadership."

Yang Rudai pointed out in the report: "The present moment is one of the best historical periods for the province since the founding of the state. The 4 years from third provincial party congress to now have been a period during which the party organizations throughout the province have led the people of all nationalities to implement the line, principles and policies of the third plenary session and carry out a great historic change. They have been 4 years of constantly clearing away the influence of previous leftist errors and bringing order out of chaos. They have been 4 years in which all fronts have replaced the old with the new in the course of readjustment and reform and gained great victories.

"During these 4 years splendid and profound changes have transformed the province, and the situation has become better every year. We have implemented the principle of readjustment, restructuring, reorganization and upgrading, persistently emancipated our minds, relaxed the policies, enlivened the economy and achieved sustained growth in industrial and agricultural production. Estimated grain output in 1982 is 74.69 billion jin, a rise of 10.73 billion jin over 1978. Industry has made steady progress amid readjustment. Total output value in 1982 was 30.1 billion yuan, 32 percent more than in 1978 and more than double the 1976 figure. The urban and rural markets are prospering. Total retail sales volume in 1982 was over 50 percent higher than in 1978. Following the serious sabotage done during the 10 years of turmoil, education, science, culture, public health, sports and so on and the work of the mass organizations have basically revived and also gained new developments in many respects. A situation of initial prosperity has emerged. The province has scored relatively good success in family planning. It is estimated that the natural population growth rate has consistently been kept below 11 per 1,000. The incomes of people in the urban and rural areas have risen everywhere and their living standards have notably improved. Total savings deposits at the end of 1982 were 250 percent greater than 4 years previously. Even better, in the wake of the progress of building socialist material and spiritual civilization and democracy, the people's mental outlook and human relations are undergoing profound changes. The five stresses and four points of beauty campaign has yielded very good results."

Yang Rudai said: "The party's fine traditions have been gradually revived and carried forward and there has been a notable improvement in party work style. Relations between party and masses, cadres and masses, and army and people have greatly improved. The unity of workers, peasants and intellectuals and the unity of people of all nationalities has been further strengthened. The patriotic united front has been consolidated and developed. People are gaining more and more confidence in socialist modernization. All this fully shows that the present moment is indeed one of the best historical periods in Sichuan since the founding of the state."

TAIWAN RADIO COMMENTS ON SHULTZ TRIP TO BEIJING

OW301825 Taipei International Service in English 0100 GMT 29 Jan 83

[Station commentary]

[Text] James A. Baker, III, the White House chief of staff, said Secretary of State George Shultz isn't going to Peking to make any concessions to the Chinese Communists about the people of Taiwan. President Reagan would not walk away from the U.S. commitment to the Republic of China on Taiwan, Mr Baker told the Commonwealth Club of San Francisco.

This is good news for the people of free China, although they never believed that Secretary Shultz was going to compromise their position. Taiwan considers Mr Shultz to be a friend. He visited the island province when he was associated with Bechtel Corporation and has many friends in government and business circles.

Nevertheless, the leaders and the people of the ROC cannot help but wonder just why Secretary Shultz is making this trip. Apparently the reason is to improve the relations between Washington and Peking. Judging from what the Chinese Communists have been saying, it would take an awful lot of improvement. The United States has again been described by Peking as a hegemonist and imperialist. When the American Government declined to allow Red China to flood the U.S. market with cheap textiles, Peking accused Washington of insincerity and blackmail. When the Chinese Communists don't get their own way, they resort to dirty words.

But the present name-calling goes a bit farther than that. Not long ago, Red China was threatening to downgrade or break off relations with the United States because Washington was selling weapons to the ROC. The United States is pledged to do so under the Taiwan Relations Act, a law passed by the Congress and signed by the President. Yet the Chinese Communists insisted this was a violation of Chinese and international law. That's absurd, of course. Still, (they cried) the communique of last 17 August out of President Reagan, although in one and the same breath he said it didn't mean anything and that the United States would go right on selling weapons for defense of the people of Taiwan.

The Chinese Communist agenda for the talks with Secretary Shultz is going to be headed by the China problem, which to Peking means having the United States hand over Taiwan on a silver platter. As Mr Baker has said, the United States won't do that. Then why talk about it? Isn't there a certain danger in continuing to negotiate things which are non-negotiable? Why does Peking want to go on talking about the Republic of China on Taiwan? Obviously because the Chinese Communists are intent upon getting their hands on Taiwan.

Obtaining it could be a life and death matter. The people of the mainland have shown in defections and other incidents that they are fed up with communism and want the freedom and prosperity of the Republic of China. An anticommunist uprising is possible at any time and virtually inevitable when the Deng Xiaoping era ends. That will be a time of instability in which the freedom forces could assert themselves. So the Republic of China on Taiwan must be liquidated and that would require the cooperation of the United States. While free China exists it provides an alternative to communism. It serves as a beacon of freedom and democracy.

How can Red China win over the United States? At first, it tried to deceive the United States with honeyed words. It pretended that Taiwan wouldn't be taken over at all, merely annexed and then given autonomy. President Reagan is not so foolish as to believe that. So the new appeal is to the American players of the Red China card against Russia. The Chinese Communists are meeting Mr Shultz in February. They have already announced that they will resume their meetings with the Soviet Union in March.

We don't think that Mr Secretary Shultz is intimidated. He knows Red China cannot leap back into the arms of the USSR. He doesn't [want] to make any concessions on Taiwan or even on textiles or mushrooms.

The Chinese Communists are asking what Mr Shultz can give them. They would like to suggest Taiwan, but the plainly evident truth is that the United States can give nothing. When Peking finds this out, the Shultz visit could very well be the last in the series of high-ranking U.S. travels to Red China for a long time.

TRADE VOLUME REACHES \$41.09 billion in 1982

OW290611 Taipei CNA in English 0936 GMT 28 Jan 83

[Text] Taipei, Jan. 28 (CNA) -- The nation's two-way trade reached U.S. \$41.09 billion in 1982.

The nation enjoyed a U.S. \$3.31 billion surplus from the exports of U.S. \$22.2 billion against the imports of U.S. \$18.89 billion.

The surplus is U.S. \$1.9 billion more than that of the previous year, while exports and imports declined by 1.8 percent and 10.9 percent respectively from 1981.

K.H. Yu, chairman of the Council for Economic Planning and Development, reported on the nation's economic situation last year to an Executive Yuan meeting Thursday.

Foreign trade dropped for eight consecutive months after last April due to decreases in import prices and lower willingness to make new investments.

Exports and imports climbed in December mainly because the nation sold more garments, shoes and cement abroad and bought a Boeing 767 passenger plane from the United States.

Trade in the month grew 5.7 percent from the same month the year before by reaching U.S. \$3.71 billion. Of the volume, U.S. \$2.04 billion came from exports and imports contributed U.S. \$1.67 billion, up 6.8 percent and 4.3 percent respectively.

Judging by last year's foreign trade and industrial situation, the nation's economy still remains sluggish, Yu said.

To relieve traders' financial difficulties, the government is continuing to offer more loans and is cutting bank interest rates to their lowest level in more than three decades.

A committee has been formed to accept loan applications to help enterprises here, he reported.

Up to last December, the money supply amounted to NT \$521.7 billion, up 8.5 percent and 15.5 percent respectively from November and the same month in 1981.

Wholesale prices decreased 0.05 percent from November to December last year and the urban consumer price index rose slightly by 0.64 percent, Yu said.

PAPERS DISCUSS SCHULTZ VISIT TO PRC, BUSH TRIP

TA KUNG PAO Article

HK310201 Hong Kong TA KUNG PAO in Chinese 30 Jan 83 p 2

["Review of the Week" by Kung Yao-wen [7895 5069 2429]: "Shultz Visits China To Try To Promote Sino-U.S. Relations"]

[Text] Vice President and Secretary of State Out on Visit Simultaneously

U.S. Secretary of State George Shultz has already left America and is on his way to visit China. Ronald Reagan has sent Vice President George Bush to visit seven West European countries on a mission to explain the U.S. on disarmament centering on clarifying its stand of countering the Soviet Union in order to make up the differences of opinion between the United States and West Europe. At the same time, Ronald Reagan has sent Secretary of State Shultz to the East on a visit first to Japan and then to China, South Korea and Southeast Asia with the aim of discussing the problems of U.S. relations with China and Japan respectively.

Problems related to the United States and Japan have cropped up because of the speech issued by Yasuhiro Nakasone during his visit to the United States on turning the islands of Japan into "unsinkable aircraft carriers." Inquiries have been addressed in the Japanese Diet and the Japanese opposition parties are indignant about Nakasone's speech on his rightist national defense line. Shultz' visit to Japan must be aimed at explaining to Japanese political circles the U.S.-Japanese alliance in order to win the Japanese over.

Shultz' Chief Task Is To Visit China

However, Shultz' chief task is to visit China. Because since 5 months ago, especially since last August when China and the United States published a joint communique on the problem of arms sales to Taiwan, Ronald Reagan has clung to the "Taiwan Relations Act" and continues to sell arms to Taiwan. The United States has, in fact, by its actions repudiated the spirit of the agreement reached by the two parties as expressed in their joint communique. Since then, relations between China and the United States have begun to cool. Furthermore, since the Sino-U.S. textile talks became bogged down last month, the United States has imposed unilateral limits on imports of certain kinds of Chinese textiles. Beijing retaliated by banning the import of American cotton, soybeans and synthetic fibers and threatened to reduce imports of other American agricultural products. Thus Sino-U.S. relations are at their lowest ebb since the establishment of diplomatic relations between the two countries.

The fact that both Bush and Shultz have been sent on separate missions at the same time shows that Reagan's diplomatic policies have caused him trouble in both Europe and Asia. In Europe, the Soviet Union has sent Andrey A. Gromyko to West Germany to try to persuade West Europe to refuse to accept the deployment of American Pershing II missiles and cruise missiles scheduled to begin the end of this year. His visit has played a role in sowing discord. Originally, West Europe supported Reagan's "zero-option proposal" (which states that the United States will refrain from deploying medium-range nuclear missiles in West Europe, but the Soviet Union must dismantle all missiles of similar nature already deployed in East Europe), but now it has begun to waver. West Germany and others are of the opinion that under the present situation there is no need for the United States to adhere to the "zero option" and that the United States should adopt a flexible attitude. There is a powerful antinuclear movement among the people of West Europe.

This and the threats and enticements of the Soviet Union have given rise to a conflict between West Europe and the United States on the defense plan against Soviet missiles. That is why Reagan sent Bush to visit West Europe in order to reconcile opinions.

Assertion To Mend Sino-U.S. Relations

This time Shultz is coming to the East with the professed aim of mending Sino-U.S. relations. Since the resumption of Sino-Soviet talks, the United States has been a bit "nervous." In fact, China has long clarified its stand on Sino-U.S. and Sino-Soviet relations. During Premier Zhao's recent visit to Africa, he again expounded on this stand -- that is, China resolutely opposes U.S. sales of arms to Taiwan, and that China is willing to develop bilateral relations on the basis of the five principles with any country including the United States and the Soviet Union. It has also been on the basis of this stand that China has held talks with the Soviet Union.

The Reagan administration's persistence in selling arms to Taiwan already constitutes interference in China's internal affairs. Therefore, it is only natural that China has strongly protested against this interference. If the Reagan administration continues to cling to its old way on this problem, it will be difficult to make a breakthrough in Sino-U.S. relations.

Before he left, Shultz said in a speech that Sino-U.S. relations are very important among the international relations of the United States and that he planned to make his visit contribute to laying sound and lasting foundations for relations between the two countries. Because of the Reagan administration's pro-Taiwan actions, people cannot give credit to his words. Of course, Beijing heartily hopes that the United States observes the Sino-U.S. joint statement issued last August, restricts its arms sales to Taiwan within a certain limit, and ceases the sales at a given future date. However, as soon as the Reagan administration signed this communique, it announced that the continuance of arms sales to Taiwan will not be restricted by the communique. How can an essential problem be solved by adopting such a peremptory attitude?

Also To Visit Hong Kong on 8 February

Since August last year, Sino-U.S. relations have been cold for 5 months, and the unilateral limits on imports of Chinese textiles imposed by the United States this time has enabled Beijing to deepen its understanding of the Reagan administration's China policy. Empty talk cannot solve the problems. People are waiting to see whether during the coming talks the United States has changed its attitude.

The schedule of Shultz' travel is as follows: Japan from 30 January to 2 February, China from 2 to 6 February, Seoul from 5 to 8 February and Hong Kong from 8 to 9 February, and then back to Japan to give a briefing on his visit to China. From this schedule, we can see that in this travel Shultz has also been assigned a mission of strengthening relations between the United States, Japan and South Korea.

During Reagan's talks with Yasuhiro Nakasone, the two leaders both talked about the "importance of relations with China." However, if the United States fails to take essential action on the problem of arms sales to Taiwan, it will never win Beijing's confidence.

Some American People Still Have Some Superficial Ideas

If, however, Reagan aims to inquire into China's actual desire for improving Sino-Soviet relations in sending Shultz to visit China, he will waste Shultz' time in doing so. China has long declared that it will play neither the U.S. card nor that of the Soviet Union. Sino-Soviet talks on improving relations are normal diplomatic activities between one country and another. It is China's duty to develop exchanges of trade and culture with other countries as long as these exchanges are based on the five principles.

It is ridiculous that even now there are still some people in the United States who give unsolicited explanations of the retrogression of Sino-U.S. relations. For example, former Deputy Secretary of State Holdridge said that "the retrogression of Sino-U.S. relations is because China was disappointed at failing to obtain from the United States the assistance for its modernization which it had hoped to get." Some people in Congress said that the retrogression of relations had been caused "mainly by factors resulting from the development of China's internal affairs." These arguments give the impression that some Americans are indeed very childish. It is hard to believe that there can be people in the U.S. State Department and Congress who would have such a superficial understanding of China.

Now Shultz is coming and people hope the Reagan administration will indeed mend its ways and be sincere about the problems related to arms sales to Taiwan and the Sino-U.S. textile talks. Only by adopting the stand of benefiting one another and developing friendship can the problems between the two countries be resolved.

HSIN WAN BAO Column

HK011100 Hong Kong HSIN WAN BAO in Chinese 1 Feb 83 p 2

["New Talk" column: "Sino-U.S. Agenda Should Be All-Embracing"]

[Text] U.S. President Reagan is carrying out major diplomatic activities by sending two of his right-hand men in diplomacy abroad at the same time. They are Vice President George Bush and Secretary of State George Shultz. One of these two Georges is going east; the other is going west. They are going to do some explaining and persuading in Europe and Asia.

The journeys of these two senior American officials are focused on West Germany in Europe and China in Asia. The obvious purpose of the journeys is to stabilize relations with allied countries in Western Europe and with China, which are situated at the two ends of the Eurasian Continent, so as to contend with the Soviet Union. The pity is that, according to former national security adviser Brzezinski, the current two-pronged diplomatic offensive only functions like a remedy.

When Reagan took office he thought that an intransigent posture could get the upper hand of the Soviet Union. However, in the last 2 years, Reagan has neglected two points: 1) opposing hegemonism must proceed from his own country; and 2) to safeguard world peace, it is necessary to unite all nations. The Reagan administration has offended other countries as a result of its arbitrary actions and it is not good at handling its relations with other countries on an equal basis. As a result, it has been frustrated in diplomacy and in politics and needs a remedy.

As for Europe, this year is a "missile year." The dispute over the deployment of medium-range missiles is turning white-hot. Medium-range missiles are weapons for war preparations. While a war has not broken out in Europe, the deployment of missiles just constitutes an issue of political haggling. West European countries are allies of the United States. But many people in Western Europe, after comparing the behavior of the United States with that of the Soviet Union, have found that the Soviet Union is not so formidable and that the United States is not so lovable either. The forces of objection to the deployment of American missiles are now rising in West Germany. The distinction between enemy and friend is now becoming more and more obscure. The United States fears that its global strategy may be threatened under these circumstances, so, Bush has been sent to find favor with the Europeans.

Undoubtedly, the United States also approaches its relations with China from the angle of strategy. From their practical experiences in recent years, the Chinese people have more soberly realized that the American people are great people and are willing to maintain friendship with the Chinese people. However, the Reagan administration does not cherish any friendly attitude toward China.

The development of Sino-U.S. relations is certainly in the interests of the peoples of both countries and is beneficial to world peace. However, this does not mean that China and the United States share a completely unanimous strategy, still less does it mean that China will make sacrifices for keeping a common strategy with the United States.

Before Shultz started on his journey an official in the State Department who did not want his name disclosed, commented that the United States and China had held many talks on the Taiwan issue and the discussions on this topic always crowded other items out of the agenda. Therefore, it was hoped that the agenda for the coming visit would include all items. This shows us that the planned tactics of Shultz for his talks in China are to place stress on discussions on the international situation and strategic cooperation so as to give an impetus to the development of Sino-U.S. relations.

Indeed, many international and bilateral problems can be discussed in the high level Sino-U.S. contacts. The elimination of U.S. interference in Taiwan is, of course, not the only item on the agenda. But, it definitely will not be called off or evaded. On the contrary, it will certainly be put on the agenda.

Brzezinski is right in saying: "The most important thing is that Bush and Shultz must make their negotiation opponents aware of the larger strategic designs President Reagan really has in mind and that, with regard to present strategy and long-term objectives, cosmetic statements in dealing with allied and friendly countries, gestures of wishing to listen to the suggestions of hosts and official guarantees of good intentions are of no avail."

Bush and Shultz are going their own ways. The two Georges are going to make friends. But, they will accomplish nothing in the overall sense if they fail to make any progress in solving concrete problems.

HSIN WAN BAO Dispatch

HK010907 Hong Kong HSIN WAN BAO in Chinese 1 Feb 83 p 4

["Special Dispatch": "Shultz To Arrive in Beijing Tomorrow, Will Invite Zhao Ziyang To Visit the United States"]

[Text] Beijing, 1 Feb -- U.S. Secretary of State Shultz and his party will arrive in Beijing tomorrow for a 4-day visit to China. People here who are interested in international problems commonly hold that the purpose of Shultz current visit is to stabilize U.S.-Sino relations and to check Sino-Soviet contacts.

People abroad attach great importance to the development of Sino-U.S. and Sino-Soviet relations. In October last year, China and the Soviet Union resumed talks at the deputy foreign minister level. Later, Huang Hua was sent to Moscow to attend Brezhnev's funeral. According to foreign sources, President Reagan wrote a letter to Chinese Premier Zhao Ziyang making known U.S. "views" on the new Soviet leadership and expressing the desire to understand China's "opinions" in this respect. U.S. Embassy officials accredited to China also wanted to exchange views with officials of the Chinese Foreign Ministry under the pretext of exchanging information about the situation. Commentators on foreign affairs hold that since its 12th party congress, the CPC had readjusted its foreign policies and the above-mentioned activities of the United States have been attempts to find out how China's foreign policies will change. Shultz' current visit to China is a continuation of such probing.

Since President Reagan took office, differences between China and the United States have increased day by day. Although China and the United States reached an agreement and issued a joint communique on arms sales to Taiwan in August last year, relations between the two countries have not improved. The United States holds that it is of very important significance to establish solid U.S.-Sino relations in checking Soviet expansion and finally setting up relatively stable East-West relations. Therefore, stabilizing U.S.-Sino relations is another mission of Shultz' visit to China. For this purpose, Shultz will relax restrictions on the transfer of technology to China and even discuss the question of U.S.-Sino cooperation in the peaceful use of nuclear energy in order to check Sino-Soviet contacts.

Shultz' talks in Beijing will not be easy ones. China will not bypass problems to discuss improving relations. In addition to holding talks with Chinese Foreign Minister Wu Xueqian in Beijing, Shultz will be received by Deng Xiaoping and Zhao Ziyang. It is thought that he may extend an invitation to Zhao Ziyang, asking him to visit the United States and fix a preliminary date for the visit.

ZHAO ZIYANG, GU MU DISCUSS DEVELOPING HAINAN

HK280639 Hong Kong TA KUNG PAO in Chinese 28 Jan 83 p 2

[Special dispatch: "Zhao Ziyang and Gu Mu Mention Central Support for Developing Hainan on Inspection Tour"]

[Excerpt] Hainan, 27 Jan -- For the purpose of studying the problem of accelerating the building of Hainan Island, Premier Zhao Ziyang and State Councillor Gu Mu gave an important speech to party and administrative leadership cadres while visiting Hainan Island.

Zhao Ziyang said that we can take advantage of sea transportation in building up Hainan Island. All islands in the world develop relatively quickly because of easy access. We must therefore develop port transportation. Thus, the interior of the country and the island can be properly linked. To open the door to the world and enliven the economy, we must strengthen the building of the fundamental facilities of the Hainan Island. Transportation, energy and other problems concerning Hainan Island must be solved one by one. Forces must be concentrated on tackling one thing after another. In his speech, Zhao Ziyang specially stressed that while carrying the open-door policy a step further, we must set our own house in order.

While surveying various areas of Hainan, Gu Mu affirmed the achievements of Hainan Island in the past few years through large-scale development of undertakings centering on rubber. He said: "After the economic readjustment, we can now put the increased development of Hainan on the agenda. Hainan Island is very rich in resources and well endowed by nature.

"In regard to financial and material resources, the party Central Committee must render Hainan energetic support and grant it still greater autonomy. Thus, guided by the central policy, Hainan Island can properly manage its own affairs independently and seek greater relaxation of its open-door policy."

Gu Mu specially stressed that we must create conditions for the opening up and development of Hainan Island in order to lure investment by foreign businessmen. Meanwhile, we must link it up with various inland provinces and cities. Hainan must go a step further than Guangdong and Fujian in relaxing the open-door policy, but must be a bit stricter than the Shenzhen Special Zone.

During their stay on Hainan Island, Zhao Ziyang and Gu Mu inspected ports, wharves, railroads, airport facilities and industrial and agricultural production operations.

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